Anheuser Busch Companies

Adding to life's enjoyment

ANNUAL REPORT 1999

1999 FINANCIAL HIGHLIGHTS

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 *(in millions, except where noted)*	1999	1998	% Change
Barrels of beer sold:			
Domestic	95.7	92.7	3.2
International	7.2	7.1	1.2
Worldwide A-B brands	102.9	99.8	3.1
International equity partner brands	15.1	11.2	34.7
Total brands	118.0	111.0	6.3
Gross sales	$13,723.3	$13,207.9	3.9
Excise taxes	2,019.6	1,962.1	2.9
Net sales	11,703.7	11,245.8	4.1
Gross profit:	4,449.3	4,083.3	9.0
As a percentage of net sales	38.0%	36.3%	1.7%
Operating income:	2,302.3	2,125.3	8.3
As a percentage of net sales	19.7%	18.9%	0.8%
Equity income, net of tax	157.5	85.0	85.2
Net income	1,402.2	1,233.3	13.7
Diluted earnings per share	2.94	2.53	16.2
Operating cash flow before changes in working capital	2,102.6	1,925.4	9.2
Earnings before interest, income taxes, depreciation and amortization (EBITDA)	3,328.2	2,993.6	11.2
Return on shareholders equity	34.5%	29.9%	4.6%
Return on capital employed	14.6%	13.4%	1.2%
Total assets	$12,640.4	$12,484.3	1.3
Debt	5,122.9	4,718.6	8.6
Capital expenditures	865.3	817.5	5.8
Depreciation and amortization	777.0	738.4	5.2
Common dividends paid	$ 544.7	$ 521.0	4.5
Per share	1.16	1.08	7.4
Total taxes	3,004.6	2,891.0	3.9
Weighted average shares outstanding:			
Basic	469.5	482.1	(2.6)
Diluted	476.8	487.5	(2.2)
Number of full-time employees	23,645	24,344	(2.9)
Number of common shareholders	60,100	62,110	(3.2)
Closing stock price	$ 70 7/8	$ 65 5/8	8.0

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One hundred years ago, as the 19th century came to an end, Anheuser-Busch stood on the threshold of a major milestone — brewing 1 million barrels of beer in a single year. In 1901 — just in time to celebrate the Budweiser brand's 25th birthday — that milestone was achieved, spurring our visionary founder... and my great-grandfather, Adolphus Busch... to dream of even greater things.

But I'm not sure even he foresaw the day when Anheuser-Busch would sell 100 million barrels in a single year. Yet that is exactly what we did for the first time in 1999. And we think it was a most appropriate way to celebrate the turn of a new century.

The last 100 years have been a time of challenge, innovation and accomplishment for your company. We not only survived Prohibition and the Great Depression, but went on to prosper. We claimed the position of world's largest brewer in 1957 and haven't relinquished it since.

1999 Highlights

- Achieved best financial results of the decade.
- The worldwide sales of A-B brands surpassed the 100-million-barrel milestone (excluding equity volume).
- Earnings per share up 16.2%.
- Sales to retailers increased more than 3%.
- Domestic market share increased .7 points to 47.5%.
- Revenue per barrel increased 3%.
- Sales for all major brand families increased.
- Bud Light achieved eighth consecutive year of double-digit growth.
- Launched new alcohol awareness and education advertising campaign.
- Busch Entertainment announced plans for Discovery Cove, an innovative, interactive marine park that will open in Florida in 2000.
- Packaging Group announced joint venture to reopen a glass plant in Texas.

Today, Budweiser is the world's leading brand and is viewed as one of the most valuable trademarks on earth. Building on the equity of this trademark, the Budweiser family has expanded through the years and includes Bud Light, which continues to grow at a double-digit rate and ranks as the No. 2 beer brand in the U.S. market. And through it all, we've stayed true to our corporate vision: We've added to life's enjoyment.

It's been quite a century.

And 1999 was quite a year.

August A. Busch III at Anheuser-Busch's Elk Mountain Hop Farms in Bonners Ferry, Idaho

In fact, your company had its best year of the decade. We returned to solid double-digit earnings-per-share growth, achieved profit margin expansion and enjoyed a substantial increase in return on investment.

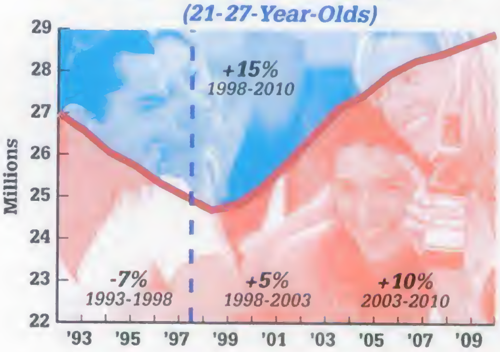
Domestic Beer Led The Way

Our domestic beer business had a banner year in 1999. We outperformed the industry, growing 3.2% vs. overall industry growth of 1.8%.

Sound strategic planning, along with improving beer industry fundamentals, contributed to this strong growth rate.

On the industry side, demographics have turned in our favor. The 21-27-year-old age group, which accounts for 26% of beer sales, is once again growing and should continue to increase throughout the next decade. Favorable demographics contributed to the industry's 1.8% growth rate in 1999, which was more than four times its average annual growth during the decade.

Improving Demographics
(21-27-Year-Olds)



Consolidation, which resulted in a reduction of excess capacity, was also significant. The brewing industry now has the highest capacity utilization we have seen in years.

As a result of these factors, the outlook for industry volume, pricing and profits is substantially better now than it was at any time in the 1990s.

Anheuser-Busch is moving aggressively to take advantage of these favorable conditions, focusing on a healthy industry margin pool for brewers, wholesalers and retailers. This, in turn, should increase shareholder value and ultimately improve our stock market performance.

In 1999 we successfully implemented long-overdue price increases or reduced discounts in areas representing two-thirds of our volume. At the same time, we increased market share, which speaks well for the quality of our products and our successful brand-building efforts. While we will continue to protect market share by meeting competitive pricing when necessary, we place high priority on improving beer margins and profit growth. As a result, we will focus on building premium brand equity rather than relying on price promotion to gain volume.

From an operations standpoint, our breweries have made significant strides toward improved performance since the terms of our final contract offer to brewery workers represented by the Teamster union were implemented in September 1998. A third vote was taken in August 1999 on this offer. National Teamster leadership recommended approval, and 59% of the members voted in favor. However, local contract supplements were rejected at several of our breweries, postponing a final contract agreement.

We are happy to report that we are operating successfully under the terms of our implemented final contract offer. Employees have received their scheduled wage and other benefit increases, which keep them among the top 5% in compensation for all U.S. production workers. In turn, with the cooperation of our employees, we have achieved the operating efficiencies and flexibility bargained for in the contract negotiation process. One result is that absenteeism in our breweries was reduced 38% in 1999, with a corresponding increase in productivity.

Our domestic beer company is well-positioned for the new millennium. Our market share is more than twice that of our nearest competitor; our strong brands lead the industry; we have the industry's best wholesaler system; and our 12 breweries are the most modern production facilities in the industry.

International Market Remains Challenging

Internationally, we use a two-pronged strategy: building Budweiser into a leading international brand and forming equity partnerships with leading brewers in high-growth markets. In 1999, we sold 7 million barrels in the international market. Our international segment contributed approximately 20% of earnings per share growth during the year due to the outstanding performance of Mexico's largest brewer, Modelo, in which we hold a 50% interest. This is an example of the success of our equity partnership strategy.

Overall, the international beer segment was profitable in 1999, earning $145.2 million, with equity income from Modelo contributing $157.5 million. At the same time, the international market continues to offer challenges, and our international operations lost $19.9 million in 1999. Nevertheless, given its size — four times that of the U.S. market — we must tap into the significant growth potential it offers.

Canada and Ireland, our first- and fourth-largest international markets by volume, respectively, continued to turn in strong performances. Sales in Canada were up 9.3%. In Ireland, Budweiser remains the best-selling lager beer, with 33% of that category.

Sales and profits in the United Kingdom, our second-largest and most profitable international market, slowed in 1999. The industry there has been weak overall, especially in the on-premise package segment where Budweiser is the leading brand. However, with new advertising, packaging innovation and an expanded draft program, that business will improve.

In China, our third-largest international market, a number of factors contributed to a sluggish industry, including a slowing economy; increased competition from local brewers; and aggressive discounting and price reductions by foreign beer competitors. Despite these challenges, we achieved our 1999 goal of reaching break-even on a cash flow basis. We remain committed to this market, which offers tremendous growth opportunities and is poised to become the world's largest beer market during the next decade. Our Wuhan brewery is well-equipped to meet our production needs in China for the foreseeable future.

Japan, our fifth-largest international market, continues to pose significant challenges. Low-price happoshu beers, which are taxed at a lower rate because they contain less malt, have increased sharply at the expense of regular beers. This is eroding the premium beer volume base where Budweiser competes. Despite our restructuring initiatives at the end of 1998, we were unable to reduce our operating losses in 1999. As a result, in December 1999 we entered into a new license-brewing and sales agreement with our Japanese partner, Kirin, which will substantially reduce our operating costs by allowing us to use Kirin's sales force. We believe this new structure will offer us a greater opportunity to improve Budweiser sales and profitability and, given the steps we've taken to reduce our losses in Japan, we expect a return to profitability in 2000.

It's important to remember that the vast majority of our current international profits are the result of our successful equity partnership strategy represented by our interest in Modelo, the largest

brewer in Mexico, whose Corona brand is the best-selling import in the United States. In 1999, the strong earnings contribution of our investment in Modelo far exceeded the decline in international operations, with equity income reaching $157.5 million after-tax.

As we move into a new century, it is clear that our business is increasingly global in nature. In 1999, the duties of Pat Stokes, president of our domestic beer company, were expanded to include responsibility for all beer operations worldwide. This move to become one beer company will facilitate using our production, marketing and distribution resources everywhere we do business.

With the strategy and personnel we have in place, we believe we are well-positioned to make significant inroads in the world market during the next decade.

Other Subsidiaries Performed Well

Our nine Busch Entertainment parks provide an opportunity for us to highlight our commitment to promoting responsible beer consumption by adults and discouraging underage drinking. In 1999, the parks continued their more than 40-year tradition of providing a wholesome, entertaining experience for guests of all ages. The parks hosted 19 million visitors and generated more than $100 million in pretax profits. The parks not only add directly to your company's bottom line, but also contribute to shareholder value by offering a positive setting in which to showcase Anheuser-Busch products and promote and enhance our corporate image as a responsible citizen and good neighbor. On busy summer days, the 50,000 families that come to our parks find not only the expected fun and entertainment, but a truly memorable experience. And at the end of the day, they leave with a heightened appreciation of the natural world and your company's commitment to quality.

In July 2000, Busch Entertainment will open its 10th adventure park, Discovery Cove. An exclusive tropical oasis unlike any other attraction in the entertainment industry today, Discovery Cove will feature up-close and one-on-one encounters with marine animals. To ensure the highest-quality experience, attendance will be limited, with reservations strongly recommended.

Anheuser-Busch's Packaging Group continues to support the beer company's ability to manage the cost and quality of packaging materials. In keeping with this objective, the group will add two components to its operation over the next two years.

In April 2000, a new facility that produces liner material for crowns and closures will begin operating in St. Louis.

The group has also announced its intent to form a joint venture with Consumers Packaging — the parent of Anchor Glass — to reopen a glass plant in Texas to produce bottles for our Houston brewery. The plant, which is scheduled to begin production in 2001, provides an opportunity for Anheuser-Busch to generate a high-quality, low-cost bottle supply; achieve a favorable return on investment; and enhance and increase our knowledge about glass plant operations.

Metal Container Corporation, the third-largest can and lid manufacturer in the United States, produced 24 billion cans and 27 billion lids in 1999 and holds a 24% market share.

Pretax profits for the Packaging Group in 1999 were $149.3 million, up 0.7% over the previous year.

Looking Ahead

At the dawn of the new century, our balance sheet is strong and we have substantial cash flow. We will use this cash flow to reinvest in our core businesses, pursue growth

opportunities in international beer and return cash to our shareholders through dividends and share repurchase.

We will also continue to support efforts to encourage the responsible consumption of our products. Since 1982, Anheuser-Busch and its wholesalers have invested more than $300 million in initiatives designed to combat all forms of alcohol abuse, including drunk driving and underage drinking.

In 1999 we launched a new chapter in our ongoing consumer awareness efforts — our nationally televised "We All Make a Difference" campaign, which salutes Americans for their efforts to reduce drunk driving and underage drinking and for the dramatic results they have achieved.

According to statistics from the U.S. Department of Transportation, drunk driving is at historically low levels. Similarly, according to government reports, teen drinking is down 45% since the 1980s. We believe that alcohol awareness efforts such as those undertaken by Anheuser-Busch have been key contributors to these positive trends.

We also continue to protect and preserve the environment and to support communities where we do business. We take our corporate citizenship responsibility seriously, not only because it's the right thing to do, but because it's good business. For more information about these philanthropic efforts, please check the inside back cover for details on how to order our "Making Friends ... Making a Difference" brochure.

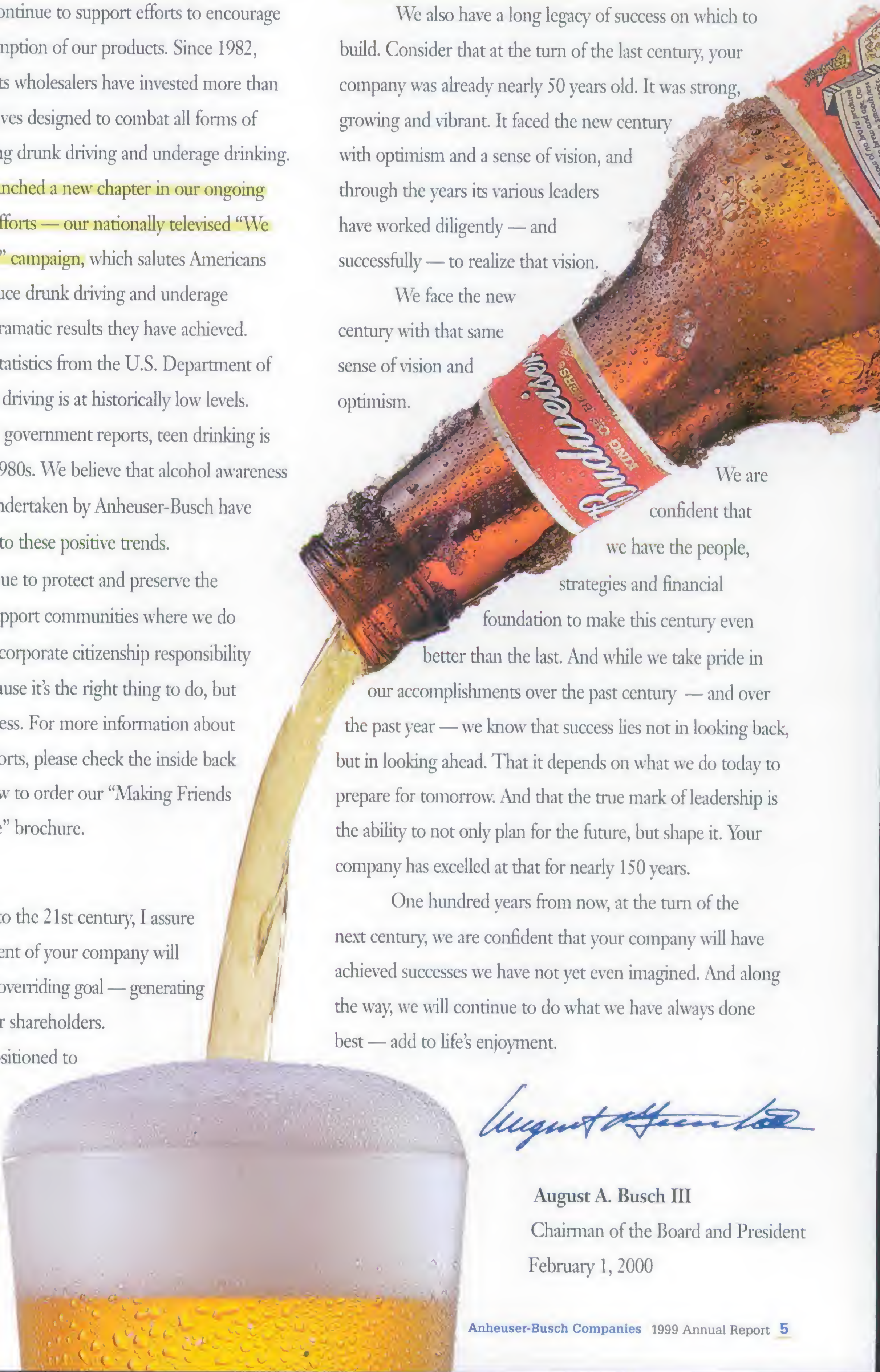
Conclusion

As we move into the 21st century, I assure you that the management of your company will remain focused on one overriding goal — generating superior returns for our shareholders.

We are well-positioned to do so. Beer industry fundamentals are significantly better than at any time during the last decade, and our significant competitive advantages will allow us to further enhance our leadership position in the future.

We also have a long legacy of success on which to build. Consider that at the turn of the last century, your company was already nearly 50 years old. It was strong, growing and vibrant. It faced the new century with optimism and a sense of vision, and through the years its various leaders have worked diligently — and successfully — to realize that vision.

We face the new century with that same sense of vision and optimism.



We are confident that we have the people, strategies and financial foundation to make this century even better than the last. And while we take pride in our accomplishments over the past century — and over the past year — we know that success lies not in looking back, but in looking ahead. That it depends on what we do today to prepare for tomorrow. And that the true mark of leadership is the ability to not only plan for the future, but shape it. Your company has excelled at that for nearly 150 years.

One hundred years from now, at the turn of the next century, we are confident that your company will have achieved successes we have not yet even imagined. And along the way, we will continue to do what we have always done best — add to life's enjoyment.

August A. Busch III
Chairman of the Board and President
February 1, 2000

Great Times Require

BEER OPERATIONS

We achieved excellent results in our core beer business in 1999. Higher domestic beer volume and pricing, coupled with increased earnings from our equity investment in Mexico's Grupo Modelo, were major factors in our success.

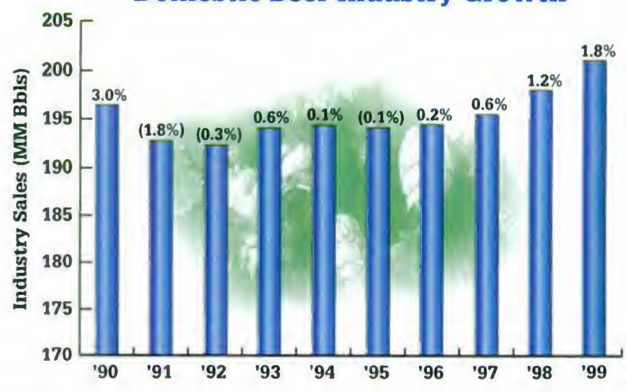
U.S. volume rose 3.2% and revenue per barrel increased 3%. Our market share reached 47.5%, an increase of 0.7%. Our domestic beer operations profits were up 11.5%. Given our commanding leadership position, we are poised to capitalize on significant improvements in domestic beer industry fundamentals:

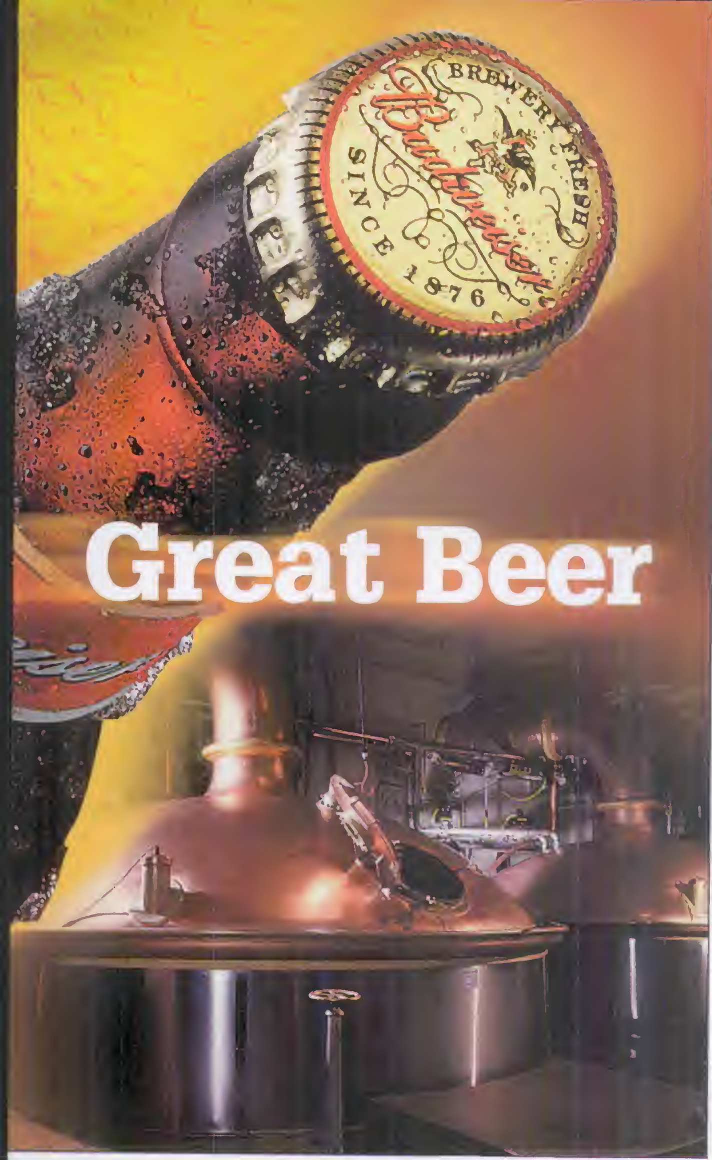
1. Strong industry growth. In 1999, the industry grew at four times the average annual rate of the preceding eight years.

2. Favorable consumer trends. Consumers are trading up from subpremium brands to premium and above brands.

3. Better pricing. The industry pricing environment has improved significantly thanks to higher capacity utilization.

Domestic Beer Industry Growth



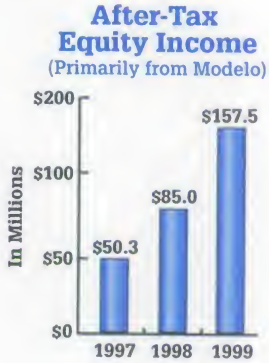


Overall, our international beer business contributed significantly to company results. Our share of earnings from Modelo, Mexico's largest brewer, more than offset flat or declining results in some markets outside the United States and resulted in a net contribution of $90.8 million to our bottom line.

We have undertaken a number of efforts to further grow international sales, including restructuring operations in Japan, introducing brands that appeal to more consumer segments in China, and increasing our efforts in the growing light beer and draft segments of the U.K. market.

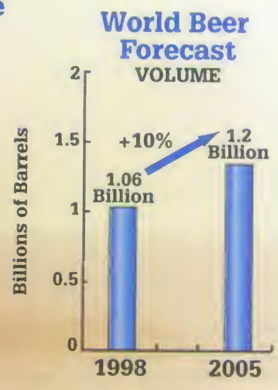
These actions, combined with our Modelo earnings, our strong domestic beer momentum and improving industry fundamentals, position our beer business for continued exceptional performance.

1999 earnings contributions reflect the first full year of our 50% interest in Modelo.



The global beer market offers much opportunity for growth. The world's top five brewers together hold a much smaller share of the global beer market than their peers in other industries. Further consolidation will allow leading brewers to gain an increasingly greater share of the market, much like their counterparts in other industries.

* Includes equity volume

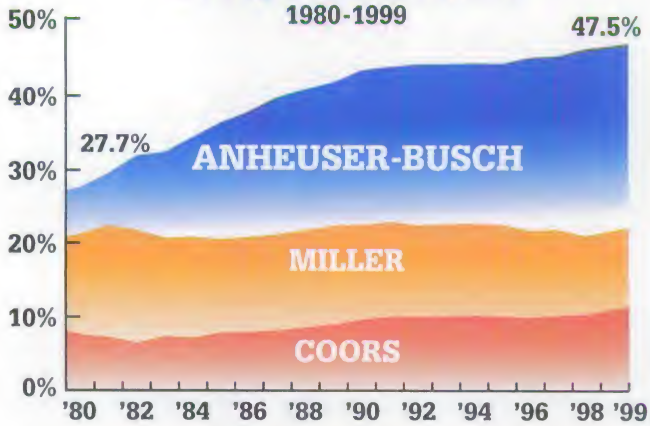


QUALITY

Our beers use only the highest quality ingredients, such as barley (above, left) and hops (being examined by Brewmaster and Chief Executive Officer August A. Busch III). Building in quality at each step of the brewing process, and having 12 strategically located breweries around the United States forming the most extensive production network in the industry, ensure that the freshest beer reaches consumers.

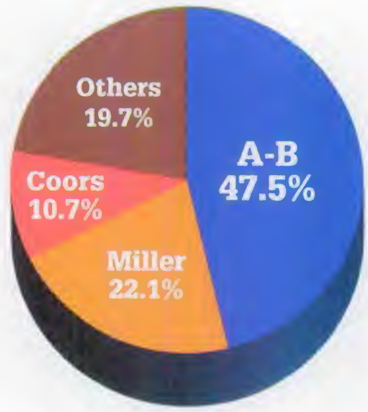
BUDWEISER, America's first truly national beer, will celebrate its 125th birthday in 2001.

Market Share*
Of Top Three Brewers
1980-1999



* Estimated

1999 Market Share
(Estimated)



MARKET LEADERSHIP

Over the last 20 years Anheuser-Busch has steadily widened the gap separating us from our nearest competitors in the U.S. market. We registered a 0.7% gain in domestic market share in 1999, giving us a 47.5% share of the market — more than twice that of our nearest competitor.

BUDWEISER and BUD LIGHT are the No. 1 and No. 2 best-selling beers in the world.

MARKET SHARE

Anheuser-Busch brands are far and away the leaders in the domestic beer industry's biggest-selling categories.

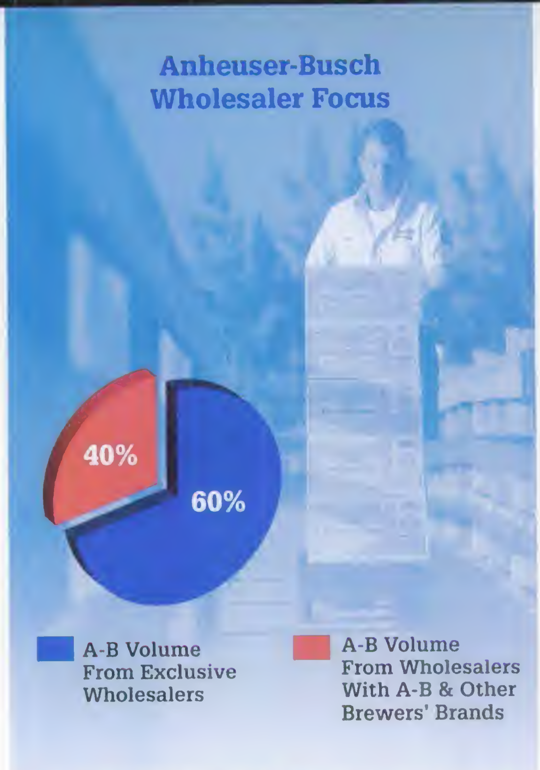
* After Stroh sale

Budweiser Share Of Premium Regulars
(Estimated)

Bud Light Share Of Premium Lights
(Estimated)

Anheuser-Busch Share Of Subpremiums*
(Estimated)

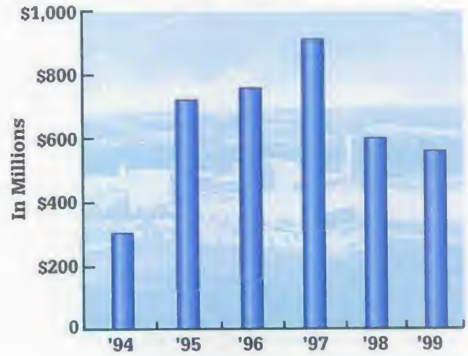
BUD LIGHT has achieved eight consecutive years of double-digit growth.



EXCEPTIONAL DISTRIBUTION

A major factor in our success during 1999 was our voluntary incentive program for our wholesalers, which rewards our wholesalers for selling only Anheuser-Busch brands. The program has increased the number of wholesalers carrying our brands exclusively, has focused wholesalers on selling our products, and has contributed to sales increases that have outpaced the rest of the domestic beer industry.

Domestic Beer Company Capital Expenditures



MOST MODERN FACILITIES

Our modernization program, which wound down late in the decade, has given us the most modern facilities in the industry, has reduced costs by about $300 million per year, and has added several million barrels of capacity.

In 1999, nature lovers and beer drinkers helped the outdoors by buying BUDWEISER as more than 350 wholesalers in 46 states donated proceeds from BUDWEISER sales during a specified time period to the National Fish and Wildlife Foundation.

NEW BRANDS

The nationwide rollout of Tequiza in 1999 was one of Anheuser-Busch's most successful new product introductions ever. Tequiza is the first American-made malt beverage combining lager beer with real blue agave nectar and a natural flavor of lime and real Mexican tequila. Tequiza surpassed established brands to become one of the four best-selling high-end beers in supermarkets — a category including micro, import and specialty segments. Following Tequiza's success, Tequiza Extra will be introduced nationally in 2000. Since it does not have added lime or sweetness, Tequiza Extra offers a more pronounced tequila taste.

Tequiza proved to be a big hit with consumers in 1999.

SUCCESSFUL PROMOTION

We support our beers with extensive advertising, sponsorships and promotions. We continued our highly popular advertising with four of the top seven most popular commercials during the telecast of Super Bowl XXXIV, according to USA TODAY. We also target adult beer consumers with sports sponsorships of major events and organizations such as the Ladies Professional Golf Association, Major League Baseball, Major League Soccer, NASCAR, the National Basketball Association, the National Hockey League, the Professional Golf Association and the Women's National Basketball Association.

"Rex" was the No. 1-rated commercial during Super Bowl XXXIV.

Building on the success of BUDWEISER'S millennium packaging, new packaging for BUDWEISER bottles made its debut in February 2000.

Rest of North America

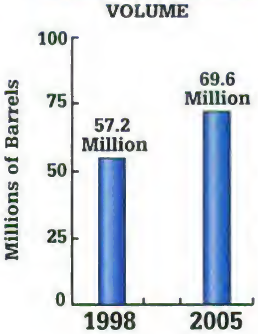
Canada
Labatt Brewing Company, Ltd.
Business agreement:
Local Budweiser and Bud Light brewing, joint marketing

Mexico
Grupo Modelo, S.A. de C.V.
Business agreement:
Equity investment 50% (direct and indirect). Grupo Modelo imports and distributes Budweiser and Bud Light in Mexico.

Budweiser's popularity is growing in Canada, where it has a 10% share of the market. Budweiser sales increased more than 9% in 1999. Bud Light is also growing in the light beer segment, which is a candidate for additional growth.

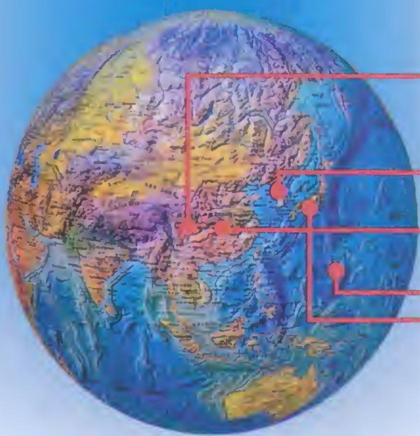
The Canadian light beer segment is 15% of the overall Canadian market, compared with light beer's 40% share of the overall U.S. market. Bud Light Canadian sales increased 40% in 1999.

Industry Forecast: Mexico/Canada



Bud Light sales in Mexico grew 26.3% in 1999 and Budweiser brands hold a 48% share of the import segment.

Asia



China
Budweiser Wuhan International Brewing Company, Ltd.
Business agreement:
Anheuser-Busch owned brewery 86.6%

China
Tsingtao Brewing Company, Ltd.
Business agreement:
Equity investment 5%

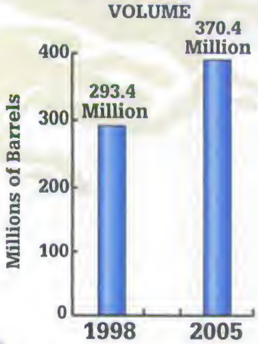
Japan
Kirin Brewing Company, Ltd.
Business agreement:
Local Budweiser brewing, Anheuser-Busch marketing

South Korea
Oriental Brewing Company, Ltd.
Business agreement:
Local Budweiser brewing, joint marketing

Philippines
Asia Brewery, Inc.
Business agreement:
Local Budweiser brewing, Anheuser-Busch marketing

In November, Anheuser-Busch announced it would convert its Japan joint venture into an exclusive license agreement with its local partner, Kirin Brewing Co. Ltd., for the production and sales of Budweiser in Japan. The new agreement took effect in January 2000. Anheuser-Busch and Kirin have been partners for six years, and the new agreement enables Anheuser-Busch to reduce costs, broaden support for Budweiser and better position the brand for long-term growth in Japan. Anheuser-Busch will continue to be responsible for the brand's marketing in Japan, working closely with Kirin through a Tokyo-based sales and marketing team. Kirin will assume responsibility for all other areas of Budweiser's production, working in partnership with Anheuser-Busch brewmasters. In 1999, Budweiser was the No. 1 brand among the foreign beer segment.

Industry Forecast: Asia



Anheuser-Busch expanded its presence in the Chinese beer market by introducing Bud Ice in the super premium category in 1999. The beer brand Buddy's also made its debut and is positioned in the mid-premium category.

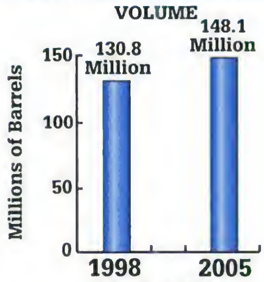
Chinese consumers have made Budweiser their favorite international premium beer. Budweiser leads the category with a 30% share. The brand is produced locally at the Budweiser Wuhan brewery, which is located in China's fifth-largest city. In addition to the Wuhan brewery, Anheuser-Busch has established regional offices in Shanghai, Beijing and Guangzhou and has approximately 700 employees in China. Anheuser-Busch also has regional warehouse operations in Beijing, Guangzhou, Shanghai, Wuhan and Shenyang. Anheuser-Busch activities throughout China are supported by a dedicated sales and marketing team and a strong network of 67 independent wholesalers in more than 30 key markets.

Central/South America

Argentina
Compañía Cervecerías Unidas S.A.-Argentina (CCU-Argentina)
Business agreement:
Equity investment 10.7%; local Budweiser brewing, joint marketing.

Budweiser is also available in:
Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay and Venezuela.

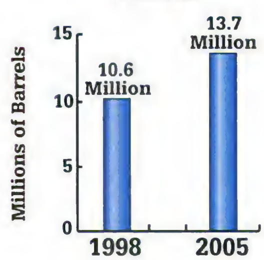
Industry Forecast: Central/South America*



*Excludes Mexico

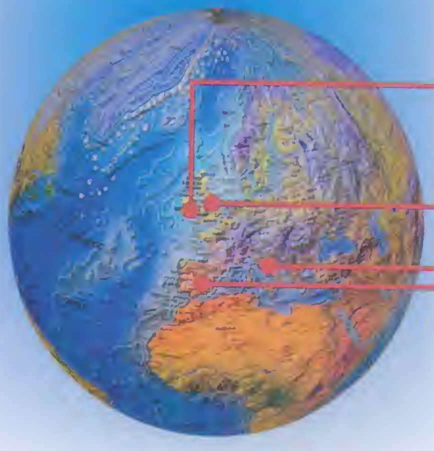
Anheuser-Busch and its equity investment partner, CCU-Argentina, have positioned Budweiser for continued growth by creating a dedicated distribution and delivery service focused only on Budweiser in Buenos Aires.

Industry Forecast: Argentina



Budweiser is being made available to growing numbers of consumers in Argentina. Distribution was expanded to two new Argentine markets, Mendoza and Tucman, in 1999. Budweiser, which was introduced in Argentina in 1996, is also sold in Buenos Aires, Cordoba, Rosario, Corrientes and Mar del Plata.

Western/Central Europe



Ireland
Guinness Ireland Ltd.
Business agreement:
Local Budweiser brewing, joint marketing

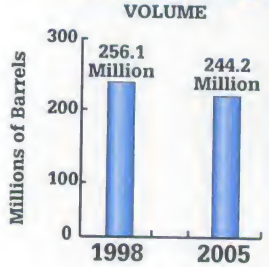
United Kingdom
Budweiser Stag Brewing Company, Ltd.
Business agreement:
Anheuser-Busch operated brewery, Anheuser-Busch operated sales and marketing

Spain
Sociedad Anónima Damm (Cervezas Damm)
Business agreement:
Local Budweiser brewing, Budweiser operated sales and marketing

Italy
S.P.A. Birra Peroni Industriale
Business agreement:
Local Budweiser brewing, Anheuser-Busch marketing

Industry Forecast: Western Europe

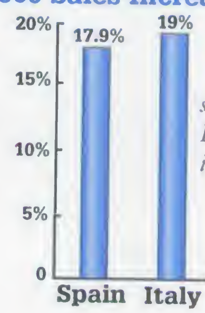
VOLUME



Budweiser Share of Irish Beer Lager Category

Anheuser-Busch and its partner, Guinness, have built a strong market for Budweiser in Ireland. Budweiser is the leading brand in the lager category and is second overall. Sales of Budweiser in Ireland have increased in double digits for each of the last 14 years.

Spain/Italy 1999 Sales Increases



Budweiser sales are strong in Spain and Italy, where the brand is brewed locally.

Consumers in the United Kingdom have made Budweiser the No. 1 beer on-premise in its category. Budweiser is brewed locally in Mortlake at a facility operated by Anheuser-Busch. Bud Light was introduced throughout the United Kingdom in 1999.

Supporting The Beer

PACKAGING OPERATIONS

In 1999, the Packaging Group increased its support of the beer company while contributing $149.3 million in pretax profits.

The Packaging Group's Metal Container Corporation (MCC) supplied 63% of A-B's domestic beer cans, a slight increase over 1998. Lid supply rose from 62% of A-B's domestic needs to 80% in 1999 with the expansion of the Oklahoma City lid plant. MCC also increased its sales of cans and lids to the soft drink industry.

Packaging Group Annual Pretax Profits

Additional support for the beer company will come from two Packaging Group ventures. A new subsidiary, Eagle Packaging, will supply liners for crowns and closures after its scheduled start-up in April 2000. The Packaging Group also entered into an agreement for a joint venture with Consumers Packaging, Inc., to reopen a plant in Jacinto City, Texas, to produce bottles for our Houston brewery beginning in 2001.

Precision Printing and Packaging, Inc. (PPPI) produced more than 18.5 billion labels for the beer company and food, beverage and consumer products customers.

Anheuser-Busch Recycling Corporation, the world's largest aluminum can recycler, collected and recycled 685 million pounds of cans in 1999, equivalent to more than 130% of A-B's cans shipped domestically.

Company

Packaging Group Locations

- **Anheuser-Busch Recycling Corp.**
  -Hayward, Calif.
- **Metal Container Corp. can plants**
  -Arnold, Mo.
  -Columbus, Ohio
  -Fort Atkinson, Wis.
  -Jacksonville, Fla.
  -Mira Loma, Calif.
  -Newburgh, N.Y.
  -Rome, Ga.
  -Windsor, Colo.
- **Metal Container Corp. lid plants**
  -Gainesville, Fla.
  -Oklahoma City, Okla.
  -Riverside, Calif.
- **Precision Printing and Packaging, Inc. label plant**
  -Clarksville, Tenn.
- **Eagle Packaging, Inc., liner plant**
  -Bridgeton, Mo.

Metal Container Corporation supplied 63% of the beer company's domestic can needs in 1999, including Michelob and Michelob Light cans with embossed sides and specially developed graphics.

The Packaging Group continues to support the beer company. Precision Printing and Packaging, Inc., currently supplies bottle labels. Eagle Packaging, Inc., will begin producing liners for bottle crowns and closures in April 2000. In addition, the Packaging Group, through a joint venture, plans to begin manufacturing bottles for Anheuser-Busch's Houston brewery in 2001.

Metal Container Corporation introduced a new large opening lid on cans for Pepsi.

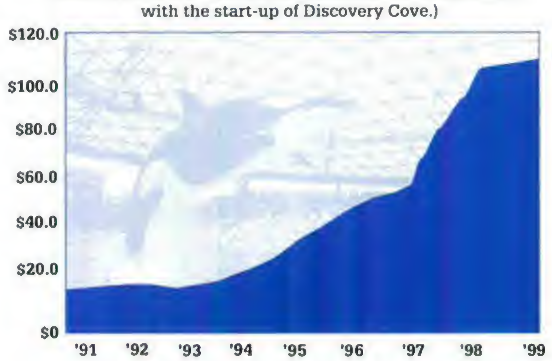
Anheuser-Busch Recycling Corporation recycled the equivalent of 130% of the cans Anheuser-Busch shipped domestically.

ENTERTAINMENT OPERATIONS

Busch Entertainment Corporation generated more than $100 million in pretax profits for the third consecutive year. BEC's nine parks further support Anheuser-Busch by showcasing the quality of our products, environmental conservation efforts and alcohol education programs.

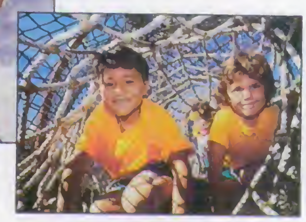
The Anheuser-Busch Adventure Parks played host to 19 million guests in 1999. Though attendance was impacted by the addition of two new competing theme parks in Orlando and a decline in international tourism because of an economic downturn in key international markets, BEC met its profit target for 1999, with four parks setting earnings records for the year. Cost control, a reduction in discounting, and increases in both ticket price and in-park spending contributed to BEC's 1999 performance.

Busch Entertainment
1991 - 1999 Operating Pretax Profit
(In millions of dollars. 1999 data excludes costs associated with the start-up of Discovery Cove.)



BEC reached its profit targets for 1999 despite a slight decrease in attendance. Four parks set earnings records.

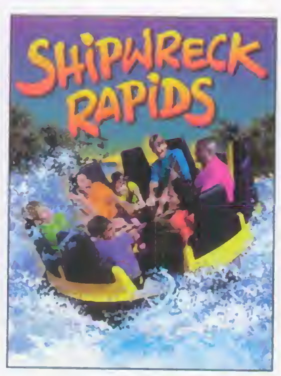
Four new attractions were added last year, part of BEC's ongoing effort to broaden the entertainment experience in its parks. Shipwreck Rapids, a river



In 1999, 19 million guests found fun and adventure at Busch Entertainment's nine parks.

rapids attraction at SeaWorld San Diego, opened in 1999 along with three new roller coasters: Gwazi at Busch Gardens Tampa Bay, Apollo's Chariot at Busch Gardens Williamsburg, and Steel Eel at SeaWorld San Antonio.

BEC will continue its strategy in 2000 and beyond to broaden the entertainment experience. In July 2000, BEC will open a park in Orlando that will offer guests experiences unmatched anywhere in the entertainment industry. Visitors to Discovery Cove will swim with dolphins and interact with a variety of animals, including rays, tropical reef fish and birds. Unlike other parks, lines and crowds will not be part of a Discovery Cove visit. Admission will be limited and reservations are strongly recommended.



Discovery Cove also will contribute to BEC's leadership in wildlife conservation and education. Guests will experience and learn about wildlife firsthand, thereby forming a greater appreciation for the natural world.

BEC offers many award-winning educational courses in its parks, on television and the Internet. Conservation activities include care and study of endangered species, research, support of conservation organizations and aid for ill or injured animals. In fact, BEC rescues, rehabilitates and returns to the wild more animals than any other organization in the world.

Guests at Busch Gardens Williamsburg experience pulse-quickening thrills on Apollo's Chariot. The ride's camelback humps produce periods of weightlessness and speeds of 73 mph. In all, the ride includes nine drops.

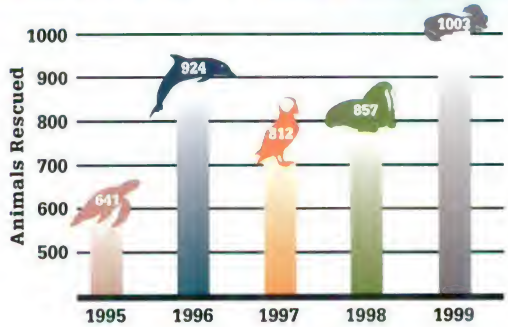
Anheuser-Busch Adventure Parks opened three roller coasters in 1999: Apollo's Chariot at Busch Gardens Williamsburg, which includes a 210-foot drop; Steel Eel at SeaWorld San Antonio, which carries guests at speeds up to nearly 65 mph; and Gwazi, a double wooden roller coaster at Busch Gardens Tampa Bay with more than 7,000 feet of track. Kraken, scheduled to open this year at SeaWorld Orlando, will be the biggest and fastest roller coaster in central Florida.

DISCOVERY COVE℠

Discovery Cove will offer an unparalleled entertainment experience when it holds its grand opening adjacent to SeaWorld Orlando in July 2000. Guests will have unique opportunities to swim with dolphins, snorkel in a coral reef lagoon or tropical river, stroll among foliage-lined paths and waterways, hand-feed beautiful birds, eat and drink indoors or out, or just quietly relax in a beach chair or hammock. Reservations to Discovery Cove are recommended, ensuring no lines and no waiting for any activity.

BEC is a world leader in wildlife conservation and education, offering programs at its parks, on television and on the Internet. BEC is active in numerous conservation, research and wildlife assistance efforts around the world.

Animals Rescued By Busch Entertainment



Busch Entertainment is recognized worldwide for aiding animals in distress. In a five-year period beginning in 1995, Busch Entertainment rescued more than 4,000 animals.

One of BEC's many wildlife assistance efforts involves SeaWorld Orlando's work with manatees, an endangered species in Florida. SeaWorld's park veterinarians and animal care specialists rescue and treat as many as two dozen manatees annually.

ANHEUSER BUSCH
Companies

Adding to life's enjoyment

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FINANCIAL REVIEW 1999

Management's Discussion and Analysis of Operations and Financial Condition

Introduction

This discussion summarizes the significant factors affecting the consolidated operating results, financial condition and liquidity/cash flows of Anheuser-Busch Companies, Inc. for the three-year period ended December 31, 1999. This discussion should be read in conjunction with the Consolidated Financial Statements and Notes to the Consolidated Financial Statements included in this annual report.

This discussion contains certain statements regarding the company's expectations concerning its operations, earnings and prospects. These statements are forward-looking statements that involve significant risks and uncertainties, and accordingly, no assurances can be given that such expectations will be correct. These expectations are based upon many assumptions that the company believes to be reasonable, but such assumptions may ultimately prove to be inaccurate or incomplete, in whole or in part. Important factors that could cause actual results to differ from the expectations stated in this discussion include, among others, changes in the pricing environment for the company's products; changes in domestic demand for malt beverage products; changes in consumer preference for the company's malt beverage products; regulatory or legislative changes; changes in raw materials prices; changes in interest rates; changes in foreign currency exchange rates; changes in attendance and consumer spending for the company's theme park operations; changes in demand for aluminum beverage containers; changes in the company's international beer business or in the beer business of the company's international equity partner; and the effect of stock market conditions on the company's share repurchase program.

Objectives

Anheuser-Busch remains focused on three major objectives in order to enhance shareholder value:

- Increasing per barrel profitability which, when combined with continued market share growth, will provide solid long-term earnings per share growth.
- Profitable expansion of international beer operations by building the Budweiser brand worldwide and making selected investments in leading brewers in key international beer growth markets. The company has made significant marketing investments to build Budweiser brand recognition outside the United States and operates overseas breweries in China and the United Kingdom. The company also has a significant equity position in Grupo Modelo, Mexico's largest brewer and producer of the Corona brand.
- Continued support of profit growth in packaging and entertainment operations. Packaging operations provide significant efficiencies, cost savings and quality assurance for domestic beer operations, while entertainment operations enhance the company's corporate image by showcasing its heritage, values and commitment to quality and social responsibility to 19 million visitors annually as well as adding their profit contribution.

Operations

In the fourth quarter 1997, the company expensed all previously capitalized and unamortized business re-engineering costs associated with the development and installation of computer software, in accordance with the change in accounting practice mandated by EITF No. 97-13. The total write-off of $10 million after-tax ($.02 per share) is shown as a separate "cumulative effect of accounting change" line item in the income statement, and had no impact on the company's results from operations.

Due to the write-off having no impact on the company's results from operations, this discussion excludes the impact of the cumulative effect of accounting change adjustment.

Comparison of Operating Results

Key financial comparisons from operations are summarized in the following tables.

COMPARISON OF OPERATING RESULTS *($ in millions, except per share)*

	1999	1998	1999 vs. 1998	
Gross sales	**$13,723**	$13,208	▲$515	▲ 3.9%
Excise taxes	**$2,019**	$1,962	▲ $57	▲ 2.9%
Net sales	**$11,704**	$11,246	▲$458	▲ 4.1%
Operating income	**$2,302**	$2,125	▲$177	▲ 8.3%
Equity income, net of tax	**$158**	$85	▲ $73	▲85.2%
Net income	**$1,402**	$1,233	▲$169	▲13.7%
Diluted earnings per share	**$2.94**	$2.53	▲ $.41	▲16.2%

	1998	1997 (1)	1998 vs. 1997	
Gross sales	$13,208	$12,832	▲$376	▲ 2.9%
Excise taxes	$1,962	$1,766	▲$196	▲11.1%
Net sales	$11,246	$11,066	▲$180	▲ 1.6%
Operating income	$2,125	$2,053	▲ $72	▲ 3.5%
Equity income, net of tax	$85	$50	▲ $35	▲68.7%
Net income	$1,233	$1,179	▲ $54	▲ 4.6%
Diluted earnings per share	$2.53	$2.36	▲ $.17	▲ 7.2%

(1) Net income and diluted earnings per share exclude the impact of the adjustment for the cumulative effect of adopting EITF No. 97-13.

	1997 (1)	1996 (2)	1997 vs. 1996	
Gross sales	$12,832	$12,622	▲$210	▲ 1.7%
Excise taxes	$1,766	$1,738	▲ $28	▲ 1.6%
Net sales	$11,066	$10,884	▲$182	▲ 1.7%
Operating income	$2,053	$2,029	▲ $24	▲ 1.2%
Equity income, net of tax	$50	—	▲ $50	N/M
Net income	$1,179	$1,123	▲ $56	▲ 5.0%
Diluted earnings per share	$2.36	$2.21	▲$.15	▲ 6.8%

N/M - Not Meaningful

(1) Net income and diluted earnings per share exclude the impact of the adjustment for the cumulative effect of adopting EITF No. 97-13.

(2) Normalized results exclude the $54.7 million gain from the sale of the St. Louis Cardinals baseball club.

Beer Volume Sales

Total worldwide beer sales volume results are summarized in the following table:

WORLDWIDE BEER SALES VOLUME *(millions of barrels)*

	1999	1998	Change
Domestic	95.7	92.7	▲ 3.2%
International	7.2	7.1	▲ 1.2%
Worldwide A-B brands	102.9	99.8	▲ 3.1%
International equity partner brands	15.1	11.2	▲ 34.7%
Total brands	118.0	111.0	▲ 6.3%

	1998	1997	Change
Domestic	92.7	89.6	▲ 3.5%
International	7.1	7.0	▲ 0.6%
Worldwide A-B brands	99.8	96.6	▲ 3.3%
International equity partner brands	11.2	6.8	▲ 64.9%
Total brands	111.0	103.4	▲ 7.3%

	1997	1996	Change
Domestic	89.6	88.9	▲ 0.7%
International	7.0	6.2	▲ 13.4%
Worldwide A-B brands	96.6	95.1	▲ 1.6%
International equity partner brands	6.8	4.0	▲ 70.7%
Total brands	103.4	99.1	▲ 4.3%

Worldwide Beer Volume

Worldwide beer volume is comprised of domestic volume and international volume of Anheuser-Busch brands. Domestic volume represents Anheuser-Busch brands produced and shipped within the United States. International volume represents exports from the company's U.S. breweries to markets around the world, plus Anheuser-Busch brands produced overseas by company-operated breweries in China and the United Kingdom and under various license and contract brewing agreements. Budweiser and other Anheuser-Busch beer brands are sold in more than 80 countries worldwide. Total brands sales volume includes the company's pro rata share of volume in international equity partner Grupo Modelo combined with worldwide Anheuser-Busch brand volume. Total brands for all years shown also includes Anheuser-Busch's equity share of Antarctica beer volume. The company sold its equity investment back to Antarctica in July 1999 in accordance with its investment agreement. See Note 2 for additional discussion.

Sales — 1999 vs. 1998

Led by record domestic beer sales volume and successful revenue enhancement strategies, Anheuser-Busch achieved record gross sales of $13.7 billion and record net sales of $11.7 billion in 1999. Gross sales increased over 1998 by $515 million, or 3.9% and net sales increased over 1998 by $458 million, or 4.1%. The sales increases are primarily due to higher domestic beer volume and revenue per barrel. The difference between gross and net sales for 1999 represents beer excise taxes of $2.02 billion.

Domestic revenue per barrel grew 3% in 1999 compared to last year, reflecting the company's focus on enhancing domestic beer profitability. In the fourth quarter 1999, the company implemented price increases in 72% of the country on selected brands and packages representing approximately 43% of its volume.

Domestic beer shipments to wholesalers grew to an all-time high of 95.7 million barrels in 1999, an increase of 3.0 million barrels or 3.2% over 1998. Each of the company's core brand families contributed to this record achievement. Bud Light continued its outstanding sales performance, with its eighth consecutive year of double-digit growth. Wholesaler sales-to-retailers grew 3.3% for full year 1999.

Sales-to-retailers for the fourth quarter 1999 increased 3.1% vs. the fourth quarter 1998. This high level of retail demand exceeded the 2.1% increase in fourth quarter shipments by Anheuser-Busch to its wholesalers, reducing wholesaler inventories to levels below last year, further enhancing product freshness and system economics.

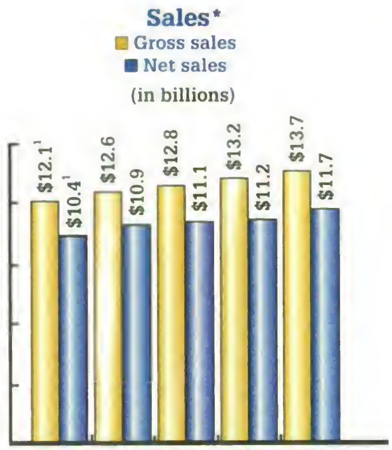
The company believes the combination of outstanding domestic beer industry fundamentals, the highest quality and freshest beer in the industry, and exceptional marketing and sales execution provide a positive outlook for achieving Anheuser-Busch's double-digit earnings per share growth objective in 2000.

In February 2000, the company implemented selected price increases and additional discount reductions on approximately 20% of its volume. These revenue enhancement actions have again been tailored to specific markets, brands and packages.

Worldwide Anheuser-Busch beer brand shipments grew to a record 102.9 million barrels for the full year 1999, up 3.1% compared to last year. This marks the first time in brewing industry history one company has sold over 100 million barrels of its beer in a single year.

Total brands sales volume was 118.0 million barrels, up 6.3%, for the full year 1999.

The company's domestic market share (excluding exports) for the full year 1999 was 47.5%, an increase of 0.7 percentage points over 1998 market share of 46.8%. Including exports, the company's share of U.S. shipments was 47.3% for the full year vs. 46.6% for 1998. Domestic market share and share of U.S. shipments are determined based on industry sales estimates provided by the Beer Institute. The company's market share is higher than previously reported reflecting the Beer Institute's recent revisions to industry sales estimates. Anheuser-Busch has led the U.S. brewing industry in sales volume and market share since 1957.



[1] *Normalized results, excluding impact of the beer wholesaler inventory reduction. Reported gross and net sales were 12.0 and 10.3, respectively.*

* *The difference between gross sales and net sales represents beer excise taxes.*

International beer volume (excluding Modelo) was up 1.2% for the full year 1999 compared to 1998, to 7.2 million barrels. The increase was due primarily to gains in the Americas, Ireland and Continental Europe, partially offset by continued weakness in Asia, principally in Japan, and lower sales in the United Kingdom.

In August 1999, the company recalled twist-off bottles in several European countries as a quality assurance measure. The recall stemmed from problems with the bottle manufacturing process. There were no quality issues with the beer itself. The company incurred total pretax costs of approximately $6 million for the bottle recall.

In July 1999, Anheuser-Busch sold its equity interest in Brazilian brewer Antarctica back to Antarctica. In September 1999, Anheuser-Busch and Antarctica announced a joint decision not to apply to CADE, Brazil's antitrust commission, for continued production of Budweiser by Antarctica. Instead, Anheuser-Busch entered into a distribution agreement with Expand Group in December 1999 for the exporting of Budweiser to Brazil beginning in January 2000. The pretax cost of discontinuing Budweiser production in Brazil was approximately $6 million.

Effective January 2000, the company converted its Japan joint venture operation into an exclusive license agreement with its local partner Kirin, for the production and selling of Budweiser in Japan. The new agreement with Kirin is designed to create new opportunities for Budweiser's growth and to improve profitability by giving the brand full access to Kirin's national wholesaler distribution and integrated selling systems. The one-time cost of converting to the license agreement was approximately $9 million and is included in 1999 results.

Sales — 1998 vs. 1997

Anheuser-Busch achieved gross sales of $13.2 billion and net sales of $11.2 billion in 1998. These results represent a gross sales increase over 1997 of $376 million, or 2.9%, and a net sales increase over 1997 of $180 million, or 1.6%. The increases were primarily due to higher domestic beer volume. For 1998, sales and excise taxes include the impact of accounting for Stag Brewery operations in the United Kingdom on a consolidated basis vs. equity accounting in 1997. Beer excise taxes for 1998 totaled $1.96 billion.

Worldwide volume for Anheuser-Busch beer brands was up 3.3% for 1998, compared to the prior year. Total volume was up 7.6 million barrels, or 7.3%, for the year. International equity partner brands reflects the company's 37% ownership interest in Grupo Modelo brands for the first nine months of 1998 and 50.2% for the fourth quarter, compared to a combination of 17.7% ownership interest for the first five months of 1997 and 37% thereafter.

Anheuser-Busch's strategy to reduce domestic price discounting, initiated at the beginning of 1998, was successful. This strategy was designed to increase revenues, reduce the spread between front-line and discounted prices to consumers, and protect the company's brand equities. In October 1998, the company initiated a revenue enhancement strategy of selective price increases and additional discount reductions. As a result of these and other actions, domestic revenue per barrel was up nearly 3% in the fourth quarter 1998 compared to the same period in 1997, and was level for the full year compared to 1997.

Anheuser-Busch domestic beer shipments grew 3.5% during 1998, reflecting strong retail demand. Overall, sales-to-retailers were up 4% for 1998. Combined Bud and Bud Light sales-to-retailers increased 3.4% for 1998 compared to 1997. This growth was led by Bud Light, which had its seventh consecutive double-digit growth year.

The company's domestic market share (excluding exports) for 1998 was 46.8%, an increase of 1.0 market share point over 1997 market share of 45.8%. Including exports, the company's share of U.S. shipments was 46.6% vs. 45.5% for 1997.

International Anheuser-Busch brand volume (excluding Modelo) was up 0.6% in 1998 compared to 1997. Strong Budweiser sales performances in the United Kingdom, Ireland, Continental Europe and Canada were mostly offset by sales declines in Asia.

In Japan, Anheuser-Busch performance was impacted by lower industry sales due to an economic recession and the introduction of a tax-advantaged "happoshu" beer category. Anheuser-Busch introduced its own happoshu beer and significantly restructured its sales force. The restructuring resulted in a pretax charge of about $9 million, or $.01 per share after-tax, in the fourth quarter 1998.

In June 1998, the company restructured its alliance with Labatt Brewing Company and granted Labatt perpetual rights to brew and sell the Budweiser and Bud Light brands in Canada. In return, Labatt significantly increased marketing support behind the two brands which provides Anheuser-Busch with a greater share of associated profits. Budweiser is currently the third-largest-selling beer in Canada.

Sales — 1997 vs. 1996

Gross sales were $12.8 billion and net sales were $11.1 billion in 1997, representing increases of $210 million and $182 million, respectively, or 1.7%, compared to 1996. The difference between gross and net sales for 1997 represents $1.77 billion of beer excise taxes.

The primary factors responsible for the sales increases were higher domestic and international beer sales volume, partially offset by increased price discounting in the domestic beer market, and increased sales from the company's theme park operations. Theme park operations experienced an attendance increase of approximately 7% in 1997 vs. 1996 and also attained higher in-park per capita revenues.

The increase in domestic volume during 1997 was driven by Bud Light, which was up approximately 10%, and improved Budweiser trends. Total Bud Family sales-to-retailers were up almost 2% in 1997 compared to 1996.

Anheuser-Busch's domestic market share (excluding exports) for 1997 was 45.8%, compared to 45.7% in 1996. Anheuser-Busch's share of shipments (including exports) for 1997 was 45.5%, level compared with 1996 share.

Operating performance for 1997 was significantly impacted by aggressive price discounting initiated by competition, which began in the first quarter and became progressively deeper throughout the year. Anheuser-Busch responded with comparable levels of discounting to keep its brands price-competitive and protect its market share, and the pricing environment stabilized by the end of the year.

Volume trends were favorable for the company's core premium brands in 1997 as consumers traded up to premium and higher-priced brands. Bud Light continued its double-digit growth. The company's quality initiatives, including a freshness advertising campaign and renewed focus on Anheuser-Busch's heritage of quality and excellence, enhanced the company's quality perception among consumers.

Total international beer volume growth was strong for 1997, led by combined Budweiser sales volume increases in China and the United Kingdom of 44% for the full year. Significant gains in volume produced overseas in 1997 were partially offset by reduced exports from the company's U.S. facilities due in part to discontinuing Kirin Ice shipments to Japan and lower shipments of Michelob Classic Dark to Taiwan.

Total international volume, excluding equity partner volume, was up 13.4% for the year. Budweiser volume outside the United States was up 18.3% for 1997 vs. 1996.

Cost of Products and Services

The company continuously strives to drive operating costs out of its system. Brewery modernizations have yielded long-term savings through reduced beer packaging and shipping costs and reduced maintenance and equipment replacement costs. The company's focused production methods and wholesaler support centers concentrate small-volume brand and package production at three breweries to create production efficiencies, reduce costs and enhance responsiveness to changing consumer brand/package preferences. Also, the company works with its network of wholesalers to reduce distribution costs through better systemwide coordination.

Cost of products and services was $7.25 billion in 1999, an increase of $92 million, or 1.3%, vs. 1998. The increase in the cost of products and services in 1999 is primarily due to costs associated with higher domestic beer volume and higher costs at the company's packaging operations.

Gross profit as a percentage of net sales for 1999 was 38.0%, an increase of 1.7 percentage points vs. 1998, primarily reflecting increased domestic revenue per barrel due to the company's focus on increasing beer profit margins.

Cost of products and services was $7.16 billion in 1998, an increase of $66 million, or 0.9%, compared to 1997. The change in the cost of products and services in 1998 is primarily due to increased beer volume, the change in the method of accounting for the Stag Brewery operation (consolidation in 1998 vs. equity accounting in 1997) and improved brewery operating efficiencies.

In 1997, before the Stag Brewing Company Ltd. was 100% owned by Anheuser-Busch, the company accounted for its 50% share of operations under the equity method, with excise taxes paid on beer sold included in the cost of beer purchased from Stag. In 1998, under full consolidation accounting, excise taxes are shown as a deduction from gross sales.

Gross profit as a percentage of net sales was 36.3% for 1998, an increase of 0.4 percentage points vs. 1997, primarily reflecting productivity improvements.

Cost of products and services in 1997 was $7.10 billion, an increase of 1.9% compared to 1996. The increase in cost of products and services in 1997 is attributable to slightly higher materials costs plus costs associated with increased beer sales volume and theme park attendance. Gross profit as a percentage of net sales was 35.9% for 1997, a decrease of 0.1 percentage points compared to 36.0% for 1996, due to slightly lower revenue per barrel in 1997.

Marketing, Distribution and Administrative Expenses

Marketing, distribution and administrative expenses for 1999 were $2.15 billion compared with $1.96 billion for 1998, an increase of $189 million, or 9.7%. The increase is primarily attributable to higher domestic marketing and sales promotion spending in support of the Bud Family, increased spending on consumer awareness and education programs and higher general and administrative costs.

Marketing, distribution and administrative expenses for 1998 increased $42 million, or 2.2%, compared to 1997 expenses of $1.92 billion. The increase is primarily due to higher domestic and international marketing expense in support of premium brands, primarily the Bud Family, partially offset by reduced general and administrative costs.

Marketing, distribution and administrative expenses for 1997 were up $26 million, or 1.4%, compared with $1.89 billion for 1996. The increase for 1997 is principally due to marketing costs related to the company's international beer activity, costs related to increased theme park attendance and increased administrative expenses, partially offset by lower promotional spending compared to 1996 when the Summer Olympic Games were held in Atlanta.

Operating Income

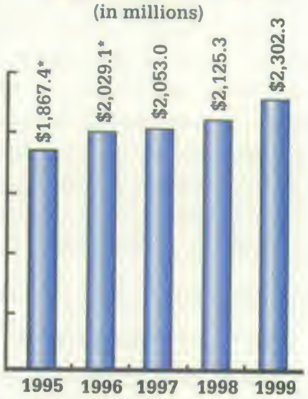
Operating income represents the measure of the company's financial performance before net interest cost, other non-operating items and equity income. Operating income for 1999 was $2.30 billion, an increase of $177 million, or 8.3%, compared to 1998. The increase in operating income for the year is primarily due to strong domestic beer performance driven by higher domestic beer sales volume and revenue per barrel.

Theme park operating results were up slightly from 1998, excluding costs associated with the start-up of the Discovery Cove park in Orlando, which will open in summer 2000.

Performance of the company's packaging operations was level with the prior year.

Net income for Anheuser-Busch's international beer segment was up 59% in 1999 due to Modelo's strong performance and Anheuser-Busch's increased ownership levels. However, international beer operating results, which exclude Modelo, declined for the year to a loss of $19.9 million, including one-time costs associated with the termination of the Budweiser production joint venture in Brazil, the impact of a bottle recall in Europe and the conversion of the company's Japan joint venture operation into an exclusive license agreement.

Operating Income
(in millions)



Normalized results, excluding one-time nonrecurring transactions and events. Reported operating income for 1996 and 1995, which includes all nonrecurring transactions and events, were $2,083.8 and $1.632.9, respectively.

Operating income for 1998 was $2.13 billion, an increase of $72 million, or 3.5%, over 1997. The increase in operating income for 1998 was primarily due to higher domestic beer sales volume and higher operating results from can manufacturing and entertainment, partially offset by weaker results from international beer operations.

Packaging operating income improved in 1998 vs. the prior year, due to higher soft drink can volume and reduced costs. Despite weakness in Florida tourism, entertainment operations had a slight improvement in operating income compared to 1997, due to higher in-park spending. International beer operating income declined vs. 1997 primarily due to weakness in Japan.

Operating income for 1997 was $2.05 billion, an increase of $24 million, or 1.2%, compared to 1996. The increase was primarily due to increased beer sales volume, continued brewery operating efficiencies and improved performance by the company's theme park operations. Domestic revenue per barrel for 1997 was down slightly vs. the 1996 level.

Entertainment operations had strong attendance and profitability and contributed $115 million in operating income in 1997. International beer profitability was down in 1997 compared to 1996, primarily due to continued significant marketing expenditures for Budweiser. Packaging operations contributed $121 million in operating profits in 1997, down slightly when compared with 1996 performance.

Net Interest Cost

Net interest cost (interest expense less interest income) was $303.5 million for 1999, $285.7 million for 1998 and $253.3 million for 1997, representing increases of 6.2%, 12.8% and 13.4%, respectively, compared to prior years. These increases reflect higher average outstanding debt balances during the years. See the Liquidity and Cash Flows section of this discussion for additional information.

Interest Capitalized

Interest capitalized for 1999 decreased $7.8 million, to $18.2 million, compared to 1998. Interest capitalized declined $16.1 million in 1998, to $26.0 million, while interest capitalized increased $6.6 million, to $42.1 million, in 1997 compared to 1996. Capitalized interest amounts fluctuate depending on construction-in-progress balances which change due to capital spending and the timing of project completions. Interest capitalized declined in 1999 and 1998 as the company completed its long-term brewery modernization projects.

Other Income/Expense, Net

Other income/expense, net includes numerous items of a nonoperating nature that do not have a material impact on the company's consolidated results of operations, either individually or in total. The company had net other expense of $9.4 million in 1999, $13.0 million in 1998 and $9.3 million in 1997.

Equity Income, Net

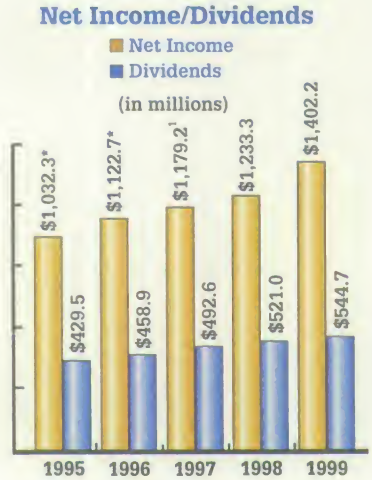
The company began recognizing its pro rata equity interest in the net earnings of Grupo Modelo under the equity method of accounting in 1997.

Equity income, net of tax, increased $72.5 million, to $157.5 million in 1999. The increase in equity income is due to Modelo's strong underlying operating performance, and Anheuser-Busch's 50.2% equity stake in Modelo throughout 1999, compared to 37% ownership for the first nine months and 50.2% for the last quarter 1998. Additionally, equity income for 1998 was adversely impacted by Mexican peso depreciation and hyperinflation accounting. Hyperinflation accounting ceased January 1, 1999.

The company recognized equity income, net of tax, of $85.0 million during 1998, compared to $50.3 million in 1997. The increase in equity income in 1998 was due to the company's larger equity stake in Modelo and the strong underlying sales volume and operating results for Modelo, partially offset by hyperinflation accounting.

For 1998, equity income percentages compare with 17.7% ownership for the first five months of 1997 and a 37% ownership interest thereafter.

Net Income



[1] *Before cumulative effect of accounting change.*

* *Normalized results, excluding one-time nonrecurring transactions and events. Reported income for 1996 and 1995, which includes all nonrecurring transactions and events, was $1,156.1 and $886.6, respectively.*

Net income was $1.40 billion in 1999, an increase of $169 million, or 13.7%, vs. 1998. Net income was $1.23 billion for 1998, an increase of $54 million, or 4.6%, compared to 1997 net income (before accounting change) of $1.18 billion, which increased 5.0% vs. net income (excluding the gain on the sale of the St. Louis Cardinals) for 1996.

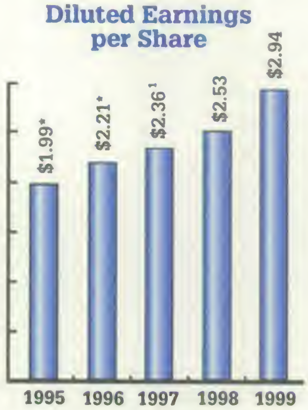
The company's effective tax rate was 38.0% in 1999 and 1998 and 38.4% in 1997. The decline in 1998 was principally due to lower state and foreign taxes and lower nondeductible costs.

Diluted Earnings Per Share

Diluted earnings per share were $2.94 for 1999, an increase of 16.2% vs. 1998 diluted earnings per share. The 16.2% earnings per share growth in 1999 was the highest growth rate of the 1990s.

Diluted earnings per share for 1998 were $2.53, an increase of $.17, or 7.2%, compared to 1997 diluted earnings per share (before accounting change) of $2.36, which had increased 6.8% compared to 1996 (excluding the Cardinals gain). Diluted earnings per share benefit from the company's ongoing share repurchase program. The company repurchased almost 19 million common shares in 1999. See Note 7 for additional information regarding share repurchases.

Diluted Earnings per Share



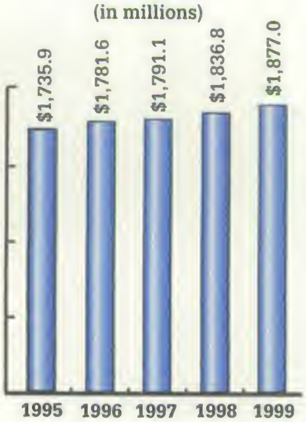
[1] *Before cumulative effect of accounting change.*

* *Normalized results, excluding one-time nonrecurring transactions and events. Reported diluted earnings per share for 1996 and 1995, which include all nonrecurring transactions and events, were $2.27 and $1.71, respectively.*

Employee-Related Costs

Employee-related costs totaled $1.88 billion in 1999, an increase of $40 million, or 2.2%, vs. 1998 costs of $1.84 billion. Employee-related costs during 1998 increased $46 million, or 2.6%, vs. 1997 costs of $1.79 billion. The changes in employee-related costs reflect normal increases in salaries, wages and benefit levels, partially offset by lower combined pension and retiree medical expenses.

Employee-Related Costs
(in millions)



Salaries and wages comprise the majority of employee-related costs and totaled $1.54 billion in 1999, an increase of $22 million, or 1.4% vs. 1998. Salaries and wages totaled $1.52 billion in 1998, an increase of $40 million, or 2.7%, compared to $1.48 billion paid in 1997. The remainder of employee-related costs consists of pension, life insurance, and health care benefits and payroll taxes.

Full-time employees numbered 23,645, 24,344 and 24,326 at December 31, 1999, 1998 and 1997, respectively.

Taxes

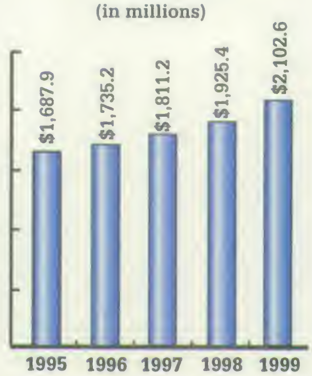
The company is significantly impacted by federal, state and local taxes, including beer excise taxes. Taxes applicable to 1999 operations (not including the many indirect taxes included in materials and services purchased) totaled $3.0 billion, an increase of $114 million, or 3.9%, vs. 1998 total taxes of $2.89 billion, and highlight the burden of taxation on the company and the brewing industry in general. Taxes in 1998 increased 8.1% compared to 1997 total taxes of $2.67 billion, which decreased $8 million, or 0.3%, compared to 1996.

The increases in taxes in 1999 and 1998 are primarily due to higher excise taxes on increased beer volume. Taxes for 1998 also reflect the full accounting consolidation of Stag operations compared to 1997. The decrease in 1997 compared to 1996 is primarily attributable to reduced income taxes due to lower pretax income and a lower effective tax rate.

Liquidity and Capital Resources

The company's primary sources of liquidity are cash provided from operations and financing activities. Principal uses of cash are capital expenditures, business investments, share repurchases and dividends. Information on the company's consolidated cash flows (categorized by operating activities, financing activities and investing activities) for the years 1999, 1998 and 1997 is presented in the Consolidated Statement of Cash Flows and Note 11.

Operating Cash Flow
Before Changes in Working Capital
(in millions)



Operating Cash Flow

Anheuser-Busch's strong financial profile allows it to pursue its growth strategies while providing substantial direct returns to shareholders. Accordingly, the company has established well-defined priorities for its operating cash flow:

- Reinvest in core businesses to achieve profitable growth. To enhance shareholder value, the company will continue to make investments to improve efficiency and capacity in its existing operations, and make selected investments in international brewers.
- Make substantial cash payments directly to shareholders through consistent dividend growth and the repurchase of common shares each year. The company has paid cash dividends each of the last 66 years, and has repurchased approximately 3% of outstanding shares annually for the last 10 years.

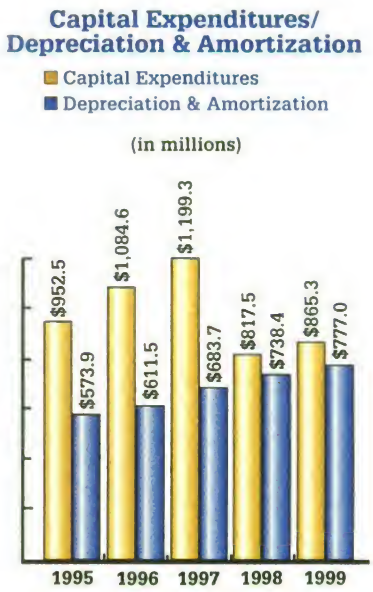
There was a working capital deficit of $(386.6) million at December 31, 1999, compared to a working capital deficit of $(89.9) million at December 31, 1998 and working capital of $83.2 million at December 31, 1997.

Capital Expenditures

During the next five years, the company will continue capital expenditure programs designed to take advantage of growth and productivity improvement opportunities for its beer, packaging and entertainment operations. The company has a formal and intensive review procedure for the authorization of capital expenditures. The most important measure of acceptability of a capital project is its projected discounted cash flow return on investment.

Cash flow from operating activities is projected to exceed the company's funding requirements for anticipated capital expenditures. However, the combination of capital spending, dividend payments and share repurchases, plus possible additional investments in international brewers, may require external financing. The nature, extent and timing of external financing will vary depending upon the company's evaluation of existing market conditions and other economic factors.

Total capital expenditures in 1999 amounted to $865.3 million, an increase of $47.8 million, or 5.8%, compared to 1998 capital spending of $817.5 million. Capital expenditures over the past five years totaled $4.9 billion. The company expects capital expenditures in 2000 of approximately $1.0 billion and anticipates capital expenditures during the five-year period 2000 - 2004 approximating $4 billion.



Share Repurchase

See Note 7 for a discussion of share repurchase activity.

Dividends

Cash dividends paid to common shareholders were $544.7 million in 1999 and $521.0 million in 1998. Dividends on common stock are paid in the months of March, June, September and December of each year. In the third quarter 1999, effective with the September dividend, the Board of Directors increased the quarterly dividend rate by 7.1%, from $.28 to $.30 per share of common stock. This increased annual dividends per common share 7.4%, to $1.16 in 1999, compared with $1.08 per common share in 1998. In 1998, dividends were $.26 per share for the first two quarters and $.28 per share for the last two quarters.

Financing Activities

The company utilizes Securities and Exchange Commission "shelf" registration statements to provide flexibility and efficiency when obtaining long-term financing. At December 31, 1999, a total of $690 million of debt was available for issuance under existing registrations.

Debt increased a net $404.3 million in 1999, compared to an increase of $353.0 million in 1998. The change in debt during these years is detailed below, by key component.

Increases in Debt — $994.7 million in 1999 compared to $451.5 million in 1998, as follows:

Year	Description	Amount	Interest Rate
1999	**Long-term notes**	**$300.0**	**5.75%, fixed**
	Commercial paper	**$627.1**	**5.1%, weighted average**
	Industrial revenue bonds	**$36.1**	**Various fixed rates**
	Miscellaneous	**$31.5**	**Various fixed rates**
1998	Long-term notes	$300.0	$100.0 million each at 5.125%, 5.375% and 5.65%, fixed
	Debentures	$100.0	6.5%, fixed
	Commercial paper	$23.3	5.5%, weighted average
	Industrial revenue bonds	$13.8	Various fixed rates
	Miscellaneous	$14.4	Various fixed rates

Reductions in Debt — $590.4 million in 1999 versus $98.5 million in 1998, as follows:

Year	Description	Amount	Interest Rate
1999	**Dual currency notes**	**$262.4**	**Quarterly floating rate**
	Long-term notes	**$250.0**	**8.75%, fixed**
	Debentures	**$23.0**	**8.5%, fixed**
	Medium-term notes	**$15.0**	**7.7%, weighted average**
	ESOP debt guarantee	**$36.7**	**8.25%, fixed**
	Miscellaneous	**$3.3**	**Various fixed rates**
1998	Debentures	$45.0	$22.5 million each at 8.5% and 8.625%, fixed
	Medium-term notes	$15.0	6.3%, weighted average
	ESOP debt guarantee	$34.9	8.25%, fixed
	Miscellaneous	$3.6	Various fixed rates

In addition to long-term debt financing, the company has access to funds through the utilization of commercial paper and its $1 billion revolving bank credit agreement that expires August 2001. The credit agreement provides the company with an immediate and continuing source of liquidity. No borrowings have been made under the credit agreement since its inception. See Note 4 for additional discussion of debt.

The company's ratio of debt to total capitalization was 56.6% and 52.8% at December 31, 1999 and 1998, respectively.

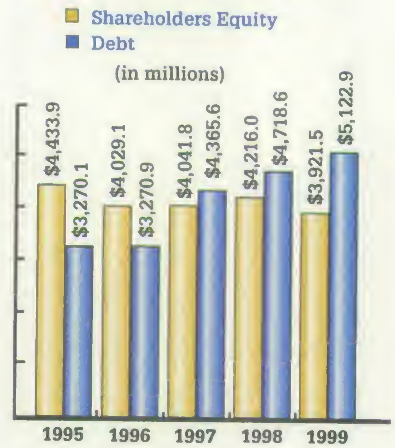
The company's cash flow to total debt ratio was $39.8% in 1999, 40.3% in 1998, and 42.5% in 1997.

The company's fixed charge coverage ratio was 6.9x, 6.8x, and 7.3x for the years ended December 31, 1999, 1998 and 1997, respectively.

Common Stock

At December 31, 1999, common stock shareholders of record numbered 60,100 compared with 62,110 at the end of 1998. See Note 7 for a summary of common stock activity.

Shareholders Equity/Debt



Price Range of Common Stock

The company's common stock is listed on the New York Stock Exchange under the symbol "BUD." The following table summarizes 1999 quarterly high and low closing prices for BUD.

PRICE RANGE OF ANHEUSER-BUSCH COMMON STOCK (BUD)

	1999		1998	
Quarter	High	Low	High	Low
First	78 7/16	65 3/16	47 1/2	43 7/16
Second	78 7/8	68 15/16	49 1/4	45 7/16
Third	81 5/8	69 11/16	57 3/8	46 3/4
Fourth	76 3/8	66 11/16	68 1/4	52 1/2

The closing price of the company's common stock at December 31, 1999 and 1998 was $70 7/8 and $65 5/8, respectively. The book value of each common share of stock at December 31, 1999 was $8.50, compared to $8.84 at December 31, 1998.

Systems-Related Year 2000 Costs

The company experienced no operating interruptions or other disturbances due to Year 2000 events. The company resolved its Year 2000 date recognition issues through either the replacement of existing systems with Year 2000-ready systems or by reprogramming existing systems.

All costs related to the assessment, reprogramming and testing of systems for the Year 2000 effort were expensed as incurred. The company incurred Year 2000-related reprogramming costs of $11.8 million in 1999, $15.5 million in 1998 and $6.6 million in 1997, and expects to incur costs of approximately $2 million in 2000 to complete its efforts.

Risk Management

In the ordinary course of business, Anheuser-Busch is exposed to foreign currency exchange, interest rate and commodity price risks. These exposures primarily relate to the sale of product to foreign customers, purchases from foreign suppliers, royalty receipts from license and contract brewers, acquisition of raw materials from both domestic and foreign suppliers, and changes in interest rates. The company utilizes derivative financial instruments, including forward exchange contracts, futures contracts, swaps and options to manage certain of these exposures that it considers practical to do so. Anheuser-Busch has well-established policies and procedures governing the use of derivatives. The company hedges only firm commitments or anticipated transactions in the normal course of business and corporate policy prohibits the use of derivatives for speculation, including the sale of free-standing instruments. The company neither holds nor issues financial instruments for trading purposes.

Specific hedging strategies depend on several factors, including the magnitude and volatility of the exposure, offset through contract terms, cost and availability of appropriate hedging instruments, the anticipated time horizon, commodity basis, opportunity cost and the nature of the item being hedged. The company's overall risk management goal is to strike a balance between managing its exposure to market volatility and obtaining the most favorable transaction costs possible within the constraints of its financial objectives. Exposures the company currently is unable to hedge, or has elected to substantially not hedge, primarily relate to its floating rate debt, net investments in foreign-currency-denominated operations and translated earnings of foreign subsidiaries.

Derivatives are either exchange-traded instruments which are highly liquid, or over-the-counter instruments transacted with financial institutions. No credit loss is anticipated as the counterparties to over-the-counter instruments generally have long-term ratings from Standard and Poor's or Moody's no lower than A+ or A1, respectively. Additionally, counterparty fair value positions favorable to Anheuser-Busch and in excess of certain thresholds are collateralized with cash, U.S. Treasury securities or letters of credit. Anheuser-Busch has reciprocal collateralization responsibilities for fair value positions unfavorable to the company and in excess of certain thresholds. Collateral amounts at December 31, 1999 were not material.

The fair value of derivative financial instruments is the estimated amount the company would receive or have to pay when terminating any contracts. The company also monitors the effectiveness of its hedging structures, based either on cash offset between changes in the value of the underlying exposure and changes in the value of the derivative, or by the correlation between the price of the underlying exposure and the pricing on which the value of the derivative is based.

Following is a volatility analysis of the company's derivatives portfolio that indicates potential changes in the fair value of the company's derivative holdings under certain market movements. The company applies sensitivity analysis for commodity price exposures and value-at-risk (VAR) analysis for foreign currency and interest rate exposures.

Volatility Analysis

ESTIMATED FAIR VALUE VOLATILITY AT DEC. 31, 1999 *(in millions)*	
Foreign Currency Risk (VAR):	
Forwards, Options	**$(0.8)**
Interest Rate Risk (VAR):	
Swaps	**$(0.3)**
Commodity Price Risk (Sensitivity):	
Futures, Swaps, Options	**$(6.6)**

VAR forecasts fair value changes using a statistical model (Monte Carlo simulation method) which incorporates historical correlations among various currencies and interest rates. The VAR model assumes the company could liquidate its currency and interest rate positions in a single day (one-day holding period). The volatility figures provided represent the maximum one-day loss each portfolio could experience for 19 out of every 20 trading days (95% confidence level), based on history.

The sensitivity analysis for commodities reflects the impact of a hypothetical 10% adverse change in the market price for the company's principal commodities.

The volatility of foreign currencies, interest rates and commodity prices are dependent on many factors that cannot be forecasted with accuracy. Therefore, changes in fair value over time could differ substantially from the illustration.

The preceding derivatives volatility analysis ignores changes in the value of the underlying hedged transactions. Because the company does not hold or trade derivatives for speculation or profit, it seeks to establish only highly effective hedging relationships. See Note 3 for additional information.

Introduction of the Euro

The initial phase of the three-year phase-in of the new common currency of the European Economic and Monetary Union, the "euro," began on January 1, 1999. Prior to introduction, the company made appropriate arrangements with key financial institutions to ensure smooth handling of euro receipts and disbursements.

The company's financial systems accommodated the euro introduction. Full systems euro readiness will be achieved through planned systems upgrades and/or replacement prior to the end of the euro transition period in 2001.

The company is able to denominate agreements and hedges in euros as necessary. The company cannot readily predict what impact, if any, single currency pricing will have on its European operations.

Significant Non-U.S. Equity Investments

Grupo Modelo

In September 1998, the company completed the purchase of an additional 13.25% of Diblo, S.A. de C.V., the operating subsidiary of Grupo Modelo, S.A. de C.V., Mexico's largest brewer and leading exporter of beer. The purchase price was $557 million, bringing Anheuser-Busch's total investment in Modelo to $1.6 billion. The additional investment increased Anheuser-Busch's total direct and indirect holdings in Diblo to 50.2%. The increase in ownership does not give Anheuser-Busch voting or other effective control of either Grupo Modelo or Diblo and, accordingly, the company continues to account for its Modelo investment on the equity basis.

The economic benefit of the company's Modelo investment can be measured in two ways—Anheuser-Busch's pro rata share in the earnings of Modelo (equity income) and the excess of the fair value of the investment over its carrying value. The excess of fair value over carrying value, based on Grupo Modelo's closing stock price at December 31, 1999, was $4.0 billion. Although this amount is appropriately not reflected in the company's income statement or balance sheet, it represents economic value to Anheuser-Busch.

Due to the structure and composition of Anheuser-Busch's initial investment, the company was not required to adjust the carrying amount of its Modelo investment under FAS 115 while on the cost basis of accounting from 1993 to 1996. Additionally, the initial investment was configured such that the company's return was largely protected against a decline in the value of the Mexican peso.

The company adopted the equity method of accounting when ownership was increased to 37% in May 1997, which gave Anheuser-Busch additional minority rights and increased representation on the Grupo Modelo Board of Directors. At that time, the company adjusted the carrying value of its Modelo investment by $189.4 million to reflect the impact of cumulative peso depreciation from 1993 to 1996, the period for which the investment was accounted for under the cost method of accounting. The offset to this translation adjustment was the foreign currency translation component of other comprehensive income in shareholders equity.

Throughout 1997 and 1998, Mexico was considered hyperinflationary for accounting purposes. Under hyperinflation accounting, the company effectively recognized in earnings the relative impact of Mexican peso depreciation on its investment during 1997 and 1998, which was unfavorable. The Mexican economy ceased to be hyperinflationary for accounting purposes on January 1, 1999. Translation adjustments are now appropriately reflected in equity rather than earnings. See Note 2 for additional discussion.

Antarctica

In April 1996, the company purchased a 5% equity stake in a subsidiary, ANEP, that controlled 75% of the operations of Companhia Antarctica Paulista (Antarctica), one of Brazil's leading brewers. The investment agreement provided the company with options allowing it to increase its investment to approximately 30% of ANEP which expired in April 2002. In July 1999, Anheuser-Busch and Antarctica jointly announced the end of their equity partnership. See Note 2 for additional discussion.

Corporate Matters

Labor Negotiations

On August 7, 1999, Teamster-represented employees at the company's 12 U.S. breweries approved the national portion of a new contract offer by a margin of 59% to 41%. The proposed agreement had been endorsed by the Teamsters' International leadership and called for a new contract which would expire February 29, 2004. Local agreements, however, remain unresolved in several breweries. Both the company and the Teamsters have previously stated that there can be no final agreement, and the new contract cannot go into effect, until agreement is reached on all national and local issues. As a result, the company continues to operate its breweries under the terms of the offer implemented in September 1998. The company remains committed to operate its breweries in the event of any work stoppages.

Proposed terms covering local issues were approved by employees at breweries in Columbus, OH, Williamsburg, VA and Baldwinsville, NY, and certain locals in St. Louis, MO, Newark, NJ and Los Angeles, CA. Local supplements previously had been approved by employees in Houston, TX, Fairfield, CA and Merrimack, NH. Local terms were rejected in Ft. Collins, CO, Cartersville, GA and Jacksonville, FL, and at certain locals in St. Louis, MO, Newark, NJ and Los Angeles, CA.

The terms of the proposed agreement include wage and benefit increases, as well as provisions to support productivity improvement, promote workplace flexibility, reduce absenteeism, improve the grievance procedure and institute a more effective drug-testing program. Additionally, Anheuser-Busch would reaffirm its commitment, contingent on the new contract going into effect, to keep all 12 of its U.S. breweries open during the life of the contract, barring an unforeseen event, providing its Teamster-represented employees with unprecedented job security.

Environmental Matters

The company is subject to federal, state and local environmental protection laws and regulations and is operating within such laws or is taking action aimed at assuring compliance with such laws and regulations. Compliance with these laws and regulations is not expected to materially affect the company's competitive position. None of the Environmental Protection Agency (EPA) designated clean-up sites for which Anheuser-Busch has been identified as a Potentially Responsible Party (PRP) would have a material impact on the company's consolidated financial statements.

The company is strongly committed to environmental protection. Its Environmental Management System provides specific guidance for how the environment must be factored into business decisions and mandates special consideration of environmental issues in conjunction with other business issues when any of the company's facilities or business units plans capital projects or changes in processes. Anheuser-Busch also encourages its suppliers to adopt similar environmental management practices and policies.

Management's Responsibility for Financial Statements

The management of Anheuser-Busch Companies, Inc. is responsible for the financial statements and other information included in this annual report. These statements are prepared in accordance with generally accepted accounting principles.

The company maintains accounting and reporting systems, supported by a system of internal accounting control, which management believes are adequate to provide reasonable assurances that assets are safeguarded against loss from unauthorized use or disposition and financial records are reliable for preparing financial statements. During 1999, the company's internal auditors, in conjunction with PricewaterhouseCoopers LLP, the company's independent accountants, performed a comprehensive review of the adequacy of the company's internal accounting control system. Based on that comprehensive review, it is management's opinion that the company has an effective system of internal accounting control.

The Audit Committee of the Board of Directors, which consists of six nonmanagement directors, oversees the company's financial reporting and internal control systems, recommends selection of the company's independent accountants and meets with the independent accountants and internal auditors to review the overall scope and specific plans for their respective audits. The Committee held four meetings during 1999. A more complete description of the functions performed by the Audit Committee can be found in the company's proxy statement.

Report of Independent Accountants

800 Market Street
St. Louis, MO 63101

PRICEWATERHOUSECOOPERS

February 1, 2000
To the Shareholders and Board of Directors
of Anheuser-Busch Companies, Inc.

We have audited the accompanying Consolidated Balance Sheet of Anheuser-Busch Companies, Inc. and its subsidiaries as of December 31, 1999 and 1998, and the related Consolidated Statements of Income, Changes in Shareholders Equity and Cash Flows for each of the three years in the period ended December 31, 1999. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements audited by us present fairly, in all material respects, the financial position of Anheuser-Busch Companies, Inc. and its subsidiaries at December 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 and Note 2 to the Consolidated Financial Statements, in 1997 the company respectively changed its method of accounting for business process re-engineering costs incurred in connection with information technology transformation projects, and adopted the equity method of accounting for its investment in Grupo Modelo, S.A. de C.V. and its operating subsidiary, Diblo, S.A. de C.V.

PricewaterhouseCoopers LLP

Consolidated Balance Sheet

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 *(in millions)*	1999	1998
Assets		
Current Assets:		
Cash and marketable securities	**$ 152.1**	$ 224.8
Accounts and notes receivable, less allowance for doubtful accounts of $6.4 in 1999 and $5.5 in 1998	**629.0**	610.1
Inventories:		
Raw materials and supplies	**378.2**	362.9
Work in process	**84.7**	90.7
Finished goods	**160.9**	169.8
Total inventories	**623.8**	623.4
Other current assets	**195.7**	182.1
Total current assets	**1,600.6**	1,640.4
Investments in affiliated companies	**2,012.5**	1,880.6
Other assets	**1,062.7**	1,114.3
Plant and equipment, net	**7,964.6**	7,849.0
Total Assets	**$12,640.4**	$12,484.3
Liabilities and Shareholders Equity		
Current Liabilities:		
Accounts payable	**$ 932.6**	$ 905.7
Short-term debt	**242.3**	—
Accrued salaries, wages and benefits	**263.0**	256.3
Accrued taxes	**164.2**	193.6
Other current liabilities	**385.1**	374.7
Total current liabilities	**1,987.2**	1,730.3
Postretirement benefits	**506.4**	515.8
Long-term debt	**4,880.6**	4,718.6
Deferred income taxes	**1,344.7**	1,303.6
Common Stock and Other Shareholders Equity:		
Common stock, $1.00 par value, authorized 1.6 billion shares	**716.1**	712.7
Capital in excess of par value	**1,241.0**	1,117.5
Retained earnings	**9,181.2**	8,320.7
Accumulated other comprehensive income:		
Foreign currency translation adjustment	**(175.0)**	(205.6)
	10,963.3	9,945.3
Treasury stock, at cost	**(6,831.3)**	(5,482.1)
ESOP debt guarantee	**(210.5)**	(247.2)
	3,921.5	4,216.0
Commitments and contingencies	**—**	—
Total Liabilities and Equity	**$12,640.4**	$12,484.3

The Notes on pages 44-55 of this report are an integral component of the company's Consolidated Financial Statements.

Consolidated Statement of Income

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 *(in millions)*	1999	1998	1997
Sales	$13,723.3	$ 13,207.9	$12,832.4
Excise taxes	(2,019.6)	(1,962.1)	(1,766.2)
Net sales	11,703.7	11,245.8	11,066.2
Cost of products and services	(7,254.4)	(7,162.5)	(7,096.9)
Gross profit	4,449.3	4,083.3	3,969.3
Marketing, distribution and administrative expenses	(2,147.0)	(1,958.0)	(1,916.3)
Operating income	2,302.3	2,125.3	2,053.0
Interest expense	(307.8)	(291.5)	(261.2)
Interest capitalized	18.2	26.0	42.1
Interest income	4.3	5.8	7.9
Other expense, net	(9.4)	(13.0)	(9.3)
Income before income taxes	2,007.6	1,852.6	1,832.5
Provision for income taxes	(762.9)	(704.3)	(703.6)
Equity income, net of tax	157.5	85.0	50.3
Income before cumulative effect of accounting change	1,402.2	1,233.3	1,179.2
Cumulative effect of accounting change, net of tax benefit of $6.2	—	—	(10.0)
Net income	$ 1,402.2	$ 1,233.3	$ 1,169.2
Basic earnings per share:			
Income before cumulative effect of accounting change	$ 2.99	$ 2.56	$ 2.39
Cumulative effect of accounting change	—	—	(.02)
Net income	$ 2.99	$ 2.56	$ 2.37
Diluted earnings per share:			
Income before cumulative effect of accounting change	$ 2.94	$ 2.53	$ 2.36
Cumulative effect of accounting change	—	—	(.02)
Net income	$ 2.94	$ 2.53	$ 2.34

The Notes on pages 44-55 of this report are an integral component of the company's Consolidated Financial Statements.

Consolidated Statement of Changes in Shareholders Equity

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 *(in millions, except per share)*	1999	1998	1997
Common Stock			
Balance, beginning of period	**$ 712.7**	$ 709.3	$ 705.8
Shares issued under stock plans	**3.4**	3.4	3.5
Balance, end of period	**$ 716.1**	$ 712.7	$ 709.3
Capital in Excess of Par Value			
Balance, beginning of period	**$ 1,117.5**	$ 1,017.0	$ 929.2
Shares issued under stock plans	**123.5**	100.5	87.8
Balance, end of period	**$ 1,241.0**	$ 1,117.5	$ 1,017.0
Retained Earnings			
Balance, beginning of period	**$ 8,320.7**	$ 7,604.9	$ 6,924.5
Net income	**1,402.2**	1,233.3	1,169.2
Common dividends paid (per share: 1999 - $1.16; 1998 - $1.08; 1997 - $1.00)	**(544.7)**	(521.0)	(492.6)
Shares issued under stock plans	**3.0**	3.5	3.8
Balance, end of period	**$ 9,181.2**	$ 8,320.7	$ 7,604.9
Treasury Stock			
Balance, beginning of period	**$ (5,482.1)**	$(4,793.3)	$(4,206.2)
Treasury stock acquired	**(1,349.2)**	(688.8)	(587.1)
Balance, end of period	**$ (6,831.3)**	$(5,482.1)	$(4,793.3)
ESOP Debt Guarantee			
Balance, beginning of period	**$ (247.2)**	$ (282.1)	$ (315.4)
Annual debt service	**36.7**	34.9	33.3
Balance, end of period	**$ (210.5)**	$ (247.2)	$ (282.1)
Accumulated Other Comprehensive Income			
Balance, beginning of period	**$ (205.6)**	$ (214.0)	$ (8.8)
Foreign currency translation adjustment	**30.6**	8.4	(205.2)
Balance, end of period	**$ (175.0)**	$ (205.6)	$ (214.0)
Total Shareholders Equity	**$ 3,921.5**	$ 4,216.0	$ 4,041.8
Comprehensive Income			
Net income	**$ 1,402.2**	$ 1,233.3	$ 1,169.2
Foreign currency translation adjustment	**30.6**	8.4	(205.2)
Total Comprehensive Income	**$ 1,432.8**	$ 1,241.7	$ 964.0

The Notes on pages 44-55 of this report are an integral component of the company's Consolidated Financial Statements.

Consolidated Statement of Cash Flows

Anheuser-Busch Companies and Subsidiaries

YEAR ENDED DECEMBER 31 *(in millions)*	1999	1998	1997
Cash Flow from Operating Activities:			
Net income	$ 1,402.2	$ 1,233.3	$ 1,169.2
Cumulative effect of accounting change	—	—	10.0
Income before cumulative effect of accounting change	1,402.2	1,233.3	1,179.2
Adjustments to reconcile income before cumulative effect of accounting change to cash provided by operating activities:			
Depreciation and amortization	777.0	738.4	683.7
Deferred income taxes	40.3	34.5	91.4
Undistributed earnings of affiliated companies	(155.5)	(53.7)	(49.9)
Other, net	38.6	(27.1)	(93.2)
Operating cash flow before changes in working capital	2,102.6	1,925.4	1,811.2
(Increase)/decrease in working capital	(18.3)	250.6	5.4
Cash provided by operating activities	2,084.3	2,176.0	1,816.6
Cash Flow from Investing Activities:			
Capital expenditures	(865.3)	(817.5)	(1,199.3)
New business acquisitions	(7.0)	(566.5)	(683.3)
Proceeds from sale of business	59.6	—	—
Cash (used for) investing activities	(812.7)	(1,384.0)	(1,882.6)
Cash Flow from Financing Activities:			
Increase in debt	973.4	451.5	1,245.9
Decrease in debt	(553.7)	(63.6)	(141.6)
Dividends paid to shareholders	(544.7)	(521.0)	(492.6)
Acquisition of treasury stock	(1,349.2)	(688.8)	(587.1)
Shares issued under stock plans	129.9	107.4	95.1
Cash (used for)/provided by financing activities	(1,344.3)	(714.5)	119.7
Net (decrease)/increase in cash during the year	(72.7)	77.5	53.7
Cash, beginning of year	224.8	147.3	93.6
Cash, end of year	$ 152.1	$ 224.8	$ 147.3

The Notes on pages 44-55 of this report are an integral component of the company's Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Principles and Policies

This summary of the significant accounting principles and policies of Anheuser-Busch Companies, Inc. and its subsidiaries is presented to assist in evaluating the company's Consolidated Financial Statements included in this annual report. These principles and policies conform to U.S. generally accepted accounting principles. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires that management make estimates and assumptions about the future which impact the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates and assumptions.

Revenue Recognition

The company recognizes revenue only when finished products are shipped or services have been rendered to unaffiliated customers. The company's beer and packaging operations do not engage in consignment sales. Entertainment operations recognize revenue related to advance ticket sales when customers actually visit a park location.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the company and all its subsidiaries. The company generally consolidates all majority-owned and controlled subsidiaries, accounts for investments below the 20% level under the cost method, and applies the equity method of accounting for investments between 20% and 50%. All significant intercompany transactions have been eliminated. Minority interests in consolidated subsidiaries are not material.

Foreign Currency Translation

Financial statements of foreign operations where the local currency is the functional currency are translated using period-end exchange rates for assets and liabilities, and weighted average exchange rates during the period for the results of operations. Translation adjustments are reported as a separate component of other comprehensive income within shareholders equity. Translation practice differs for foreign operations in hyperinflationary economies. See Note 2 for additional discussion.

Exchange rate adjustments related to foreign currency transactions are recognized in income as incurred.

Cash and Marketable Securities

Cash and marketable securities include cash, demand deposits and short-term investments with initial maturities generally of 90 days or less.

Excess of Cost Over Net Assets of Acquired Businesses (Goodwill)

The excess of the cost over the net assets of acquired businesses, which is included in other assets on the balance sheet, is amortized on a straight-line basis over a period of 40 years. Accumulated amortization at December 31, 1999 and 1998 was $131.7 million and $116.3 million, respectively. The ongoing recoverability of goodwill is monitored based on applicable operating unit performance and consideration of significant events or changes in the overall business environment. See Note 11 for additional information.

Inventories and Production Costs

Inventories are valued at the lower of cost or market. Cost is determined under the last-in, first-out method (LIFO) for approximately 75% and 73%, respectively, of total inventories at December 31, 1999 and 1998. Had the average-cost method (which approximates replacement cost) been used with respect to such inventories at December 31, 1999 and 1998, total inventories would have been $83.3 million and $100.3 million higher, respectively.

Plant and Equipment

Plant and equipment is carried at cost and includes expenditures for new facilities and expenditures which substantially increase the useful lives of existing facilities. The cost of maintenance, repairs and minor renewals is expensed as incurred. When plant and equipment is retired or otherwise disposed, the cost and related accumulated depreciation are eliminated, and any gain or loss on disposition is recognized in earnings.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets, resulting in annual depreciation rates on buildings ranging from 2% to 10% and on machinery and equipment ranging from 4% to 25%.

Income Taxes

The provision for income taxes is based on income and expense amounts as reported in the Consolidated Statement of Income. The company utilizes certain provisions of federal, state and foreign income tax laws and regulations to reduce current taxes payable. Deferred income taxes are recognized for the effect of temporary differences between financial and tax reporting in accordance with the requirements of FAS No. 109, "Accounting for Income Taxes."

Derivative Financial Instruments

All derivative instruments held by the company are designated as hedges, have high correlation with the underlying exposure and are highly effective in offsetting underlying price movements. Accordingly, gains and losses from changes in derivative fair values are deferred. Gains or losses upon settlement of derivative positions when the underlying transaction occurs are recognized in the income statement or recorded as part of the underlying asset or liability, depending on the circumstances. Derivative positions are settled if the underlying transaction is no longer expected to occur, with related gains and losses recognized in earnings in the period settlement occurs. Option premiums paid are recorded as assets and amortized over the life of the option. Derivatives generally have initial terms of less than three years, and all currently hedged transactions are expected to occur within the next three years. See Note 3 for additional information regarding the company's derivatives portfolio.

Research and Development Costs, Advertising and Promotional Costs, and Initial Plant Costs

Research and development costs, advertising and promotional costs, and initial plant costs are expensed as incurred. Advertising and promotional expenses were $721.8 million, $642.1 million and $603.6 million in 1999, 1998 and 1997, respectively.

Start-Up Costs

Effective January 1, 1999, the company adopted SOP 98-5, "Reporting on the Costs of Start-Up Activities," which requires the costs of start-up activities to be expensed as incurred. Adoption of SOP 98-5 required no significant changes to the company's accounting policies and had no impact on the results of operations.

Systems Development Costs

The company capitalizes certain systems development costs that meet established criteria in accordance with SOP 98-1, "Accounting for the Costs of Computer Systems Developed or Obtained for Internal Use." Amounts capitalized are amortized to expense over a five-year period.

In the fourth quarter 1997, in accordance with EITF consensus No. 97-13, "Accounting for Costs Incurred in Connection with a Consulting Project or an Internal Project That Combines Business Process Reengineering and Information Technology Transformation," the company reported a $10 million after-tax charge ($.02 per share) to expense previously capitalized systems reengineering costs. The charge is shown as a separate cumulative effect of accounting change line item in the income statement. The company now expenses all such costs as incurred.

Stock-Based Compensation

The company accounts for employee stock options in accordance with APB 25, "Accounting for Stock Issued to Employees." Under APB 25, the company recognizes no compensation expense related to employee stock options, since options are always granted at a price equal to the market price on the day of grant. See Note 5 for additional information on the company's stock options plus pro forma disclosures required by FAS 123, "Accounting for Stock-Based Compensation."

2. International Investments

Grupo Modelo

In 1993, Anheuser-Busch purchased a 17.7% direct and indirect equity interest in Diblo, S.A. de C.V. (Diblo), the operating subsidiary of Grupo Modelo, S.A. de C.V. (Modelo), Mexico's largest brewer and producer of the Corona brand, for $477 million. In May 1997, the company increased its direct and indirect equity ownership in Diblo to 37% for an additional $605 million. Effective with the increase in equity ownership to 37%, the company received expanded minority rights, increased its representation on Modelo's Board of Directors to 10 of 21 members and adopted the equity method of accounting for the investment. In September 1998, the company completed its purchase of an additional 13.25% equity interest in Diblo for $557 million, and now owns a 50.2% direct and indirect interest in Diblo. Anheuser-Busch does not have voting or other effective control of either Diblo or Modelo and therefore continues to account for its investment using the equity method.

The difference between income recognized on the cost basis prior to 1997 and what would have been recognized had the company applied equity accounting in those years is not material. In 1997, the company recorded a $189.4 million adjustment to the carrying value of the investment for cumulative Mexican peso depreciation between 1993 and 1996 prior to the adoption of equity accounting in 1997. The offset for the adjustment was to "foreign currency translation," a component of other comprehensive income in shareholders equity.

Included in the carrying amount of the Modelo investment is goodwill of $541.4 million and $553.6 million, respectively, at December 31, 1999 and 1998 which is being amortized over 40 years. Accumulated amortization was $29.2 million and $15 million, respectively, at December 31, 1999 and 1998. Dividends received from Grupo Modelo in 1999 totaled $2.9 million, compared to $50.3 million in 1998 and $16.4 million in 1997.

For foreign operations in countries whose economies are considered highly inflationary, foreign currency translation practice under FAS No. 52, "Foreign Currency Translation," requires that property, other long-lived assets, long-term liabilities and related profit and loss accounts be translated at historical rates of exchange. Additionally, net monetary asset and liability related translation adjustments must be included in earnings in the current period. Mexico's economy was considered highly inflationary for accounting purposes for all of calendar 1997 and 1998. Accordingly, all monetary translation gains and losses related to the Modelo investment were recognized in equity income during 1997 and 1998.

Summary financial information for Grupo Modelo as of, and for the two years ended December 31, is presented in the following table (in millions). The amounts shown represent consolidated Grupo Modelo operating results and financial position based on U.S. generally accepted accounting principles, and include the impact of Anheuser-Busch's purchase accounting adjustments.

	1999	1998
Current assets	**$1,156.3**	$ 859.8
Noncurrent assets	**3,322.3**	3,008.4
Current liabilities	**262.3**	200.6
Noncurrent liabilities	**328.0**	172.0
Gross sales	**2,576.3**	1,748.3
Net sales	**2,405.4**	1,632.0
Gross profit	**1,209.8**	809.2
Minority interest	**48.7**	32.8
Net income	**333.5**	180.3

Other International Investments

In April 1996, the company purchased a 5% equity stake in a subsidiary controlling approximately 75% of the operations of the Brazilian brewer Antarctica for $52.5 million, with options to increase its equity interest to approximately 30%. Because Anheuser-Busch had the ability to exercise significant influence as a result of rights granted in its investment agreement, the company applied the equity method of accounting for the investment in Antarctica in 1997, 1998 and 1999.

In originally approving the partnership, the Brazilian antitrust agency, CADE, required Anheuser-Busch's options to be mandatorily exercised at specified dates. The first of the required fixed-dollar investment options was set to expire in September 1999, but was determined to be no longer economically attractive for Anheuser-Busch. Accordingly, the company exercised its right to end its equity partnership with Antarctica in July 1999. There was no impact on earnings associated with the divestiture.

CADE also required Anheuser-Busch to discontinue its joint venture with Antarctica for the production, sale and distribution of Budweiser in Brazil. The pretax cost of discontinuing Budweiser production in Brazil was approximately $6 million. In December 1999, the company entered into a distribution agreement with Expand Group and now exports Budweiser to Brazil.

In 1996, Anheuser-Busch purchased a 4.4% interest in the Argentine subsidiary of Compañia Cervecerias Unidas S.A. (CCU), CCU-Argentina, with options to increase its investment up to 20%. In December 1998, the company exercised a portion of its options and purchased an additional 3.8% in CCU-Argentina for $10 million. The company purchased an additional 2.5% of CCU-Argentina for $7.0 million in December 1999, bringing the company's total ownership to 10.7%. The company's remaining options expire in December 2002. The investment is accounted for on the cost basis. CCU-Argentina brews Budweiser under license and sells the brand in Buenos Aires and other major Argentine markets.

In the fourth quarter 1998, the company restructured the sales force and made other organizational changes at its 90%-owned Japanese joint venture subsidiary. Total pretax cost of the restructuring was almost $9 million, primarily for severance benefits for workforce reductions. Effective January 2000, the company converted its joint venture operation into an exclusive license agreement with Kirin Brewing Company, Ltd. for the production and sale of Budweiser in Japan. The one-time pretax cost of converting to the license agreement was approximately $9 million, primarily for severance benefits, and is included in 1999 operating results.

The company owns an 86.6% interest in and controls a joint venture which owns the Wuhan brewery located in the People's Republic of China. The joint venture brews and distributes Budweiser primarily in the northern, eastern and central regions of China. The joint venture is consolidated.

In 1997, the company purchased the remaining 50% of the Stag Brewing Company Ltd. from its partner, Scottish Courage. Budweiser is brewed and packaged at the Stag Brewery primarily for distribution in the United Kingdom. Scottish Courage owns and leases the brewery site to the company. The Stag Brewery operations are consolidated.

3. Derivatives and Other Financial Instruments

The company currently uses the following derivative financial instruments: purchased options and forward contracts for foreign currency risk; swaps for interest rate risk; and futures, swaps and purchased options for commodity price risk. Derivatives other than options are off-balance-sheet and therefore have no recorded carrying value. Because the company hedges only with instruments that have high correlation with the underlying transaction pricing, changes in derivatives fair values are expected to be offset by changes in the underlying pricing.

The following table summarizes the notional transaction amounts and fair values for outstanding derivatives, by risk category and instrument type, at December 31, (in millions). Bracketed figures indicate settlement of the derivative contract without concluding the underlying hedged transaction would be unfavorable to Anheuser-Busch. In practice, this rarely occurs.

	1999		1998	
	Notional Amount	*Fair Value*	*Notional Amount*	*Fair Value*
Foreign Currency:				
Forwards	$ 150.9	$ 4.0	$ 76.8	$ 1.5
Options	94.1	(.7)	323.1	6.5
	245.0	3.3	399.9	8.0
Interest Rate:				
Swaps	562.8	6.5	425.2	(53.4)
Commodity Price:				
Swaps	92.4	4.5	14.1	(.3)
Futures	40.1	(3.0)	46.1	(3.6)
Options	559.6	64.5	94.4	2.0
	692.1	66.0	154.6	(1.9)
Total of outstanding derivatives	$1,499.9	$ 75.8	$979.7	$(47.3)

The interest rate swap and currency exchange agreements related to the dual-currency notes described in Note 4 are included as interest rate swaps in the preceding table. These agreements are integral parts of dual-currency note structures which provide the company with floating-rate financing at below-market rates.

The company has "long" exposure to the British pound sterling, Irish punt, Mexican peso and Canadian dollar. The company's exposures to other currencies are essentially "short," primarily for German mark-denominated purchases of hops. Long exposure indicates the company has foreign currency in excess of its needs, while a short exposure indicates the company requires additional foreign currency to meet its needs. For commodity derivatives, as a net user of raw materials, the company's underlying price exposure is short, indicating additional quantities must be obtained to meet anticipated production requirements.

Concentration of Credit Risk

The company does not have a material concentration of credit risk.

Nonderivative Financial Instruments

Nonderivative financial instruments included in the balance sheet are cash, accounts receivable, commercial paper and long-term debt. The fair value of long-term debt, based on future cash flows discounted at interest rates currently available to the company for debt with similar maturities and characteristics, was $4.5 billion and $5.0 billion at December 31, 1999 and 1998, respectively.

New Derivatives and Hedging Accounting Standard

In June 1998, FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," was issued. FAS 133 requires all derivative financial instruments to be reported on an entity's balance sheet at fair value, with changes in fair value recognized in either earnings or equity, depending on the nature of the underlying exposure being hedged. The Standard is required to be adopted no later than January 1, 2001.

Adoption of FAS 133 requires a one-time recognition on the balance sheet of the fair value of the company's derivatives portfolio plus a cumulative effect adjustment to earnings and/or equity. The company does not anticipate a material earnings impact from the initial adoption of FAS 133. The company plans no substantive changes to its risk management strategy as a result of adopting the new Standard, and will revise its derivatives-related documentation and policies as necessary on adoption. The company plans to adopt FAS 133 on January 1, 2001.

4. Debt

Debt at December 31, consisted of the following (in millions):

	1999	1998
Long-term debt:		
Commercial paper (weighted average interest rates of 5.1% in 1999 and 5.5% in 1998)	**$ 1,000.0**	$ 615.2
Medium-term Notes Due 2000 to 2001 (interest rates from 5.1% to 8.0%)	**32.5**	47.5
8.5% Sinking Fund Debentures Maturing 1999 to 2017	**—**	23.0
8.75% Notes Due 1999	**—**	250.0
5.1% Japanese yen/Australian dollar Notes Due 1999	**—**	262.4
4.1% Japanese yen/U.S. dollar Notes Due 2001	**162.8**	162.8
6.9% Notes Due 2002	**200.0**	200.0
6.75% Notes Due 2003	**200.0**	200.0
6.75% Notes Due 2005	**200.0**	200.0
7% Notes Due 2005	**100.0**	100.0
6.75% Notes Due 2006	**250.0**	250.0
7.1% Notes Due 2007	**250.0**	250.0
5.125% Notes Due 2008	**100.0**	100.0
5.375% Notes Due 2008	**100.0**	100.0
5.65% Notes Due 2008	**100.0**	100.0
9% Debentures Due 2009	**350.0**	350.0
5.75% Notes Due 2010	**150.0**	—
5.75% Notes Due 2011	**150.0**	—
7.25% Debentures Due 2015	**150.0**	150.0
7.125% Notes Due 2017	**250.0**	250.0
7.375% Debentures Due 2023	**200.0**	200.0
7% Debentures Due 2025	**200.0**	200.0
6.75% Debentures Due 2027	**100.0**	100.0
6.5% Debentures Due 2028	**100.0**	100.0
Industrial Revenue Bonds (interest rates from 5.6% to 7.4%)	**248.3**	212.2
8.25% ESOP Debt Guarantee	**210.5**	247.2
Other long-term debt	**76.5**	48.3
Total long-term debt	**4,880.6**	4,718.6
Short-term debt:		
Commercial paper (year-end interest rate of 6.0%)	**242.3**	—
Total debt	**$ 5,122.9**	$ 4,718.6

The company uses Securities and Exchange Commission shelf registrations to maintain debt issuance flexibility and currently has $690 million in registered debt available for issuance.

Gains/losses on debt redemptions (either individually or in the aggregate) are not material for any year presented.

The company's 4.1% Japanese yen/U.S. dollar notes are hedged by an interest rate swap and currency exchange structure that effectively transfers all currency exchange risk to the counterparty over the life of the debt.

In October 1999, the company entered into a dual interest rate swap structure which lowered the effective interest rate on the $200 million 6.9% Notes Due 2002, to 6.44% over the remaining term.

The company has in place a single, committed revolving credit agreement totaling $1 billion, expiring in August 2001, which supports the company's commercial paper program. At December 31, 1999 and 1998, the company had no outstanding borrowings under the agreement. Annual fees under the agreement were $600,000 for 1999, 1998 and 1997.

Commercial paper borrowings classified as long-term are supported on a long-term basis by the $1 billion revolving credit agreement. The company may also choose to refinance some or all of its commercial paper debt with long-term notes or debentures. Commercial paper borrowings in excess of $1 billion are classified as short-term.

The aggregate maturities on long-term debt are $75 million, $180 million, $200 million, $200 million and zero, respectively, for each of the years ending December 31, 2000 through 2004. These maturities do not include future maturities of the ESOP debt guarantee or commercial paper.

5. Stock Option Plans

Under terms of the company's stock option plans, officers, certain other employees and nonemployee directors may be granted options to purchase the company's common stock at no less than 100% of the market price on the date the option is granted. Options generally vest over three years and have a maximum term of 10 years. At December 31, 1999, 1998 and 1997, a total of 40 million, 44 million and 27 million shares, respectively, were reserved for future issuance under the plans. Certain of the plans also provide for the granting of stock appreciation rights (SARs) in tandem with, or in lieu of, stock options. When SARs and options are issued in tandem, the exercise of an SAR cancels the related option and the exercise of an option cancels the related SAR. There were 2,000 SARs outstanding at December 31, 1999 and none outstanding at December 31, 1998.

Presented below is a summary of stock option plans activity for the years shown:

	Options Outstanding	Wtd. Avg. Exercise Price	Options Exercisable	Wtd. Avg. Exercise Price
Balance, Dec. 31, 1996	24,320,664	$ 28.55	15,230,871	$24.67
Granted	5,558,073	43.37		
Exercised	(3,971,384)	22.48		
Cancelled....	(185,377)	35.11		
Balance, Dec. 31, 1997	25,721,976	$ 32.64	15,908,186	$27.69
Granted	5,043,905	59.82		
Exercised	(4,084,369)	24.70		
Cancelled....	(139,691)	40.81		
Balance, Dec. 31, 1998	26,541,821	$ 38.98	16,712,205	$31.79
Granted	5,295,646	75.76		
Exercised	(3,508,208)	27.11		
Cancelled....	(43,984)	53.20		
Balance, Dec. 31, 1999	28,285,275	$47.32	18,083,477	$37.39

The following table provides additional information for options outstanding and exercisable at December 31, 1999:

Options Outstanding			
Range of Prices	*Number*	*Wtd. Avg. Remaining Life*	*Wtd. Avg. Exercise Price*
$20-29	4,749,947	4 yrs	$25.72
30-39	4,390,445	6 yrs	32.35
40-49	8,869,516	7 yrs	42.29
50-59	4,981,101	9 yrs	59.85
60-77	5,294,266	10 yrs	75.76
$20-77	28,285,275	7 yrs	$47.32

Options Exercisable		
Range of Prices	*Number*	*Wtd. Avg. Exercise Price*
$20-29	4,749,947	$25.72
30-39	4,390,445	32.35
40-49	7,077,526	42.01
50-59	1,682,824	59.85
60-77	182,735	75.76
$20-77	18,083,477	$37.39

The company's stock option plans provide for acceleration of exercisability of the options upon the occurrence of certain events relating to a change in control, merger, sale of assets or liquidation of the company (Acceleration Events). Certain of the plans also provide that optionees may be granted Limited Stock Appreciation Rights (LSARs). LSARs become exercisable, in lieu of an option, upon the occurrence, at least six months following the date of grant, of an Acceleration Event. The LSARs entitle the holder to a cash payment per share equivalent to the excess of the share value (as defined under terms of the LSAR) over the grant price. As of December 31, 1999 and 1998, there were zero and .1 million, respectively, of LSARs outstanding.

Pro Forma Fair Value Disclosures

Had compensation expense for the company's stock options been recognized based on the fair value on the grant date under the methodology prescribed by FAS 123, the company's income from continuing operations and earnings per share for the three years ended December 31, would have been impacted as shown in the following table (in millions, except per share).

	1999	1998	1997
Reported income from continuing operations...	$1,402.2	$1,233.3	$1,179.2
Pro forma income from continuing operations........	1,373.3	1,209.3	1,165.0
Reported diluted earnings per share	2.94	2.53	2.36
Pro forma diluted earnings per share	2.88	2.48	2.33

The fair value of options granted, which is hypothetically amortized to expense over the option vesting period in determining the pro forma impact, has been estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	1999	1998	1997
Expected life of option	5 yrs.	5 yrs.	5 yrs.
Risk-free interest rate	6.2%	4.7%	5.7%
Expected volatility of Anheuser-Busch stock........	18%	16%	15%
Expected dividend yield on Anheuser-Busch stock.....	1.6%	1.7%	2.3%

The weighted average fair value of options granted during 1999, 1998 and 1997 determined using the Black-Scholes model is as follows:

	1999	1998	1997
Fair value of each option granted...............	$18.76	$11.72	$8.37
Total number of options granted (in millions)..........	5.3	5.0	5.6
Total fair value of all options granted (in millions)..........	$ 99.4	$ 58.6	$46.9

For FAS 123 disclosure purposes, the weighted average fair value of stock options granted is required to be based on a theoretical option pricing model. In actuality, because the company's stock options are not traded on any exchange, employees can receive no value nor derive any benefit from holding stock options under these plans without an increase in the market price of Anheuser-Busch stock. Such an increase in stock price would benefit all stockholders commensurately.

6. Employee Stock Ownership Plans

In 1989, the company added Employee Stock Ownership Plans (ESOPs) to its existing Deferred Income Stock Purchase and Savings Plans. Most regular employees are eligible for participation in the ESOPs. The ESOPs initially borrowed $500 million for a term of 15 years at an interest rate of 8.25% and used the proceeds to buy approximately 22.7 million shares of common stock from the company at market price. The debt is guaranteed by the company and the shares are being allocated to participants over the 15-year period as contributions are made to the plans. The ESOPs purchased an additional .2 million shares from the company using proceeds from the sale of spin-off-related Earthgrains shares in 1996. Of the 22.9 million total shares purchased, 16.8 million shares have been allocated to plan participants.

ESOP cash contributions and expense accrued during the calendar year are determined by several factors, including the market price, number of shares allocated to participants, debt service, dividends on unallocated shares and the company's matching contribution. Over the 15-year life of the ESOPs, total expense recognized will equal total cash contributions made by the company for ESOP debt service.

ESOP expense is allocated to operating expense and interest expense based on the ratio of principal and interest payments on the debt. Total ESOP expense for the three years ended December 31, is presented below (in millions):

	1999	1998	1997
Operating expense	**$1.7**	$ 7.4	$8.6
Interest expense	**.9**	4.5	6.7
Total ESOP expense	**$2.6**	$11.9	$15.3

ESOP cash contributions are made in March and September to correspond with debt service requirements. A summary of cash contributions and dividends on unallocated ESOP shares for the three years ended December 31, is presented below (in millions):

	1999	1998	1997
Cash contributions	**$2.5**	$14.2	$15.2
Dividends	**$7.8**	$ 8.9	$ 9.9

7. Preferred and Common Stock

Common Stock Activity

Activity for the company's common stock for the three years ended December 31, is summarized below (in millions of shares):

	1999	1998	1997
Common Stock			
Beginning common stock	**712.7**	709.3	705.8
Shares issued under stock plans	**3.4**	3.4	3.5
Common stock	**716.1**	712.7	709.3
Treasury Stock			
Beginning treasury stock	**(236.1)**	(222.2)	(208.4)
Treasury stock acquired	**(18.9)**	(13.9)	(13.8)
Cumulative treasury stock	**(255.0)**	(236.1)	(222.2)
Net Common Stock Outstanding	**461.1**	476.6	487.1

Preferred Stock

At December 31, 1999 and 1998, 40,000,000 shares of $1.00 par value preferred stock were authorized and unissued.

Stock Repurchase Programs

The Board of Directors has approved various resolutions authorizing the company to purchase shares of its common stock to return cash to shareholders and to meet the requirements of the company's various stock purchase and incentive plans. At December 31, 1999, approximately 6 million shares were available for repurchase under a 1996 repurchase authorization.The company's current resolution was approved by the Board in February 2000 and authorized the repurchase of 50 million shares.

The company acquired 18.9 million, 13.9 million and 13.8 million shares of common stock in 1999, 1998 and 1997 for $1,349.2 million, $688.8 million and $587.1 million, respectively.

Stockholder Rights Plan

The Board of Directors adopted a Stockholder Rights Plan in 1985, which was extended in 1994, that would permit shareholders to purchase common stock at prices substantially below market value under certain change-in-control scenarios.

8. Retirement Benefits

Pension Plans

The company has pension plans covering substantially all of its regular employees. Total pension expense for the three years ended December 31, is presented below (in millions):

	1999	1998	1997
Single-employer defined benefit plans	$21.1	$ 3.3	$12.0
Multi-employer plans	15.7	14.4	13.2
Defined contribution plans	18.3	18.2	15.9
Total pension expense	$55.1	$35.9	$41.1

Contributions to multi-employer plans in which the company and its subsidiaries participate are determined in accordance with the provisions of negotiated labor contracts and are based on employee hours or weeks worked. Expense recognized for multi-employer and defined contribution plans equals cash contributions for all years shown.

Net annual pension expense for single-employer defined benefit plans was comprised of the following for the three years ended December 31, (in millions):

	1999	1998	1997
Service cost (benefits earned during the year)	$ 63.2	$ 53.4	$ 51.5
Interest cost on projected benefit obligation	116.7	106.4	100.7
Assumed return on plan assets	(169.2)	(156.8)	(141.0)
Amortization of prior service cost, actuarial gains/losses and the excess of market value of plan assets over projected benefit obligation at January 1, 1986.	10.4	.3	.8
Net annual pension expense	$ 21.1	$ 3.3	$ 12.0

The key actuarial assumptions used in determining annual pension expense for single-employer defined benefit plans were as follows for the three years ended December 31:

	1999	1998	1997
Discount rate	7.0%	7.5%	7.75%
Long-term rate of return on plan assets	10.0%	10.0%	10.0%
Weighted average rate of compensation increase	4.75%	4.75%	5.5%

The following table provides a reconciliation of the funded status of single-employer defined benefit plans to prepaid pension cost for the two years ended December 31, (in millions):

	1999	1998
Funded status - plan assets in excess of projected benefit obligation (PBO)	$320.4	$ 120.2
Unamortized excess of market value of plan assets over PBO at January 1, 1986, being amortized over 15 years	(12.7)	(23.0)
Unrecognized net actuarial (gain)	(258.8)	(61.8)
Unamortized prior service cost	155.8	167.9
Prepaid pension cost	$204.7	$ 203.3

The assumptions used in determining the funded status of the plans as of December 31, were as follows:

	1999	1998
Discount rate	7.5%	7.0%
Weighted average rate of compensation increase	4.75%	4.75%

The following tables summarize the changes in the projected benefit obligation and the fair market value of plan assets (consisting primarily of corporate equity securities and publicly traded bonds) for all company single-employer defined benefit pension plans for the two years ended December 31, (in millions).

	1999	1998
Projected benefit obligation, beginning of year	$1,704.0	$1,428.4
Service cost	63.2	53.4
Interest cost	116.7	106.4
Plan amendments	7.2	111.9
Actuarial (gain)/loss	(36.0)	92.0
Benefits paid	(109.0)	(88.1)
Projected benefit obligation, end of year	$1,746.1	$1,704.0

	1999	1998
Fair market value of plan assets, beginning of year	$1,824.2	$1,821.4
Actual return on plan assets	328.5	68.7
Employer contributions	22.8	22.2
Benefits paid	(109.0)	(88.1)
Fair market value of plan assets, end of year	$2,066.5	$1,824.2

Postretirement Health Care and Insurance Benefits

The company provides certain health care and life insurance benefits to eligible retired employees. Generally, participants must accrue 10 years of continuous service after reaching age 45 to become eligible for retiree health care benefits.

The following table sets forth the accumulated postretirement benefit obligation (APBO) and the total postretirement benefit liability for all company single-employer defined benefit health care and life insurance plans at December 31, (in millions). Postretirement benefit obligations are not prefunded and there are no assets associated with the plans.

	1999	1998
Accumulated postretirement benefit obligation (APBO)	**$369.9**	$348.1
Unrecognized prior service benefits	**76.3**	87.9
Unrecognized net actuarial gains	**79.2**	98.7
Total postretirement benefit liability	**$525.4**	$534.7

As of December 31, 1999 and 1998, $19.0 million and $18.9 million of these obligations were classified as current liabilities and $506.4 million and $515.8 million were classified as long-term liabilities, respectively.

Net periodic postretirement benefits expense for company single-employer defined benefit health care and life insurance plans was comprised of the following for the three years ended December 31, (in millions):

	1999	1998	1997
Service cost (benefits earned during the year)	**$ 16.8**	$ 13.6	$ 12.0
Interest cost on APBO	**24.0**	23.3	23.2
Amortization of prior service benefit	**(11.6)**	(11.7)	(11.7)
Amortization of actuarial (gains)	**(13.0)**	(8.9)	(10.1)
Net periodic postretirement benefits expense	**$ 16.2**	$ 16.3	$ 13.4

The following table summarizes the change in the APBO for the two years ended December 31, (in millions):

	1999	1998
APBO, beginning of year	**$348.1**	$318.4
Service cost	**16.8**	13.6
Interest cost	**24.0**	23.3
Actuarial loss	**6.5**	11.8
Benefits paid	**(25.5)**	(19.0)
APBO, end of year	**$369.9**	$348.1

In measuring the APBO, annual trend rates for health care costs of 9.6%, 8.7% and 8.3% were assumed for 1999, 1998 and 1997, respectively. These rates were assumed to decline ratably over the subsequent 9-12 years to 5.4% for 1999, 5.95 % for 1998, and 5.3% for 1997, and remain at that level thereafter. The weighted average discount rate used in determining the APBO was 8.0% and 7.5% at December 31, 1999 and 1998, respectively.

If the assumed health care cost trend rate changed by 1%, the APBO as of December 31, 1999 would change by 13%. A 1% change in the health care cost trend rate would result in a corresponding change of 14% in net periodic postretirement benefits expense.

9. Earnings per Share of Common Stock

Basic earnings per share are based on the weighted average number of shares of common stock outstanding during the year. Diluted earnings per share are based on the weighted average number of shares of common stock plus common stock equivalents outstanding during the year.

A reconciliation of weighted average shares outstanding between basic and diluted earnings per share for the three years ended December 31, follows (in millions of shares). There were no adjustments to income available to common shareholders for any year shown.

	1999	1998	1997
Basic weighted average shares outstanding	**469.5**	482.1	492.6
Stock option shares	**7.3**	5.4	7.1
Diluted weighted average shares outstanding	**476.8**	487.5	499.7

10. Income Taxes

The provision for income taxes consists of the following for the three years ended December 31, (in millions):

	1999	1998	1997
Current tax provision:			
Federal	$615.9	$564.3	$510.9
State	106.3	93.3	85.8
Foreign	.4	12.2	15.5
	722.6	669.8	612.2
Deferred tax provision:			
Federal	32.3	31.6	78.2
State	4.7	2.9	13.8
Foreign	3.3	—	(.6)
	40.3	34.5	91.4
Total tax provision	$762.9	$704.3	$703.6

The deferred tax provision results from temporary differences in the recognition of income and expense for tax and financial reporting purposes. The primary differences are related to fixed assets (tax effect of $13.8 million in 1999, $51.5 million in 1998 and $67.8 million in 1997).

At December 31, 1999 and 1998, the company had deferred tax liabilities of $1,903.5 million and $1,841.3 million, and deferred tax assets of $558.8 million and $537.7 million, respectively. Deferred tax liabilities are primarily related to fixed assets of $1,614.9 million and $1,601.1 million, respectively. Deferred tax assets are related to accrued postretirement benefits ($198.5 million and $202.1 million, respectively) and other accruals and temporary differences ($300.4 million and $335.6 million, respectively) which are not deductible for tax purposes until paid or utilized.

A reconciliation between the U.S. federal statutory tax rate and the effective tax rate for the three years ended December 31, is presented below:

	1999	1998	1997
Federal statutory tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit.	3.6	3.4	3.5
Impact of foreign operations	.2	.1	.1
Other items	(.8)	(.5)	(.2)
Effective tax rate	38.0%	38.0%	38.4%

11. Supplemental Information

Accounts payable include $124.0 million and $135.0 million, respectively, of outstanding checks at December 31, 1999 and 1998.

Supplemental cash flow information for the three years ended December 31, is presented below (in millions):

Cash paid during the year:	1999	1998	1997
Interest, net of interest capitalized	$ 286.9	$ 263.3	$ 205.1
Income taxes	706.2	644.3	609.5
Excise taxes	2,016.6	1,966.6	1,760.6
Changes in working capital:			
(Increase)/decrease in noncash current assets:			
Accounts receivable	$ (18.9)	$ 103.3	$ (80.7)
Inventories	(0.4)	(73.2)	(19.1)
Other current assets	(13.6)	(9.1)	35.4
Increase/(decrease) in current liabilities:			
Accounts payable	26.9	113.9	65.0
Accrued salaries, wages and benefits	6.7	32.0	(3.3)
Accrued taxes	(29.4)	9.7	(49.1)
Other current liabilities	10.4	74.0	57.2
Net (increase)/decrease in working capital	$ (18.3)	$ 250.6	$ 5.4

The components of plant and equipment, net, at December 31, are summarized below (in millions):

	1999	1998
Land	$ 260.8	$ 250.9
Buildings	3,684.7	3,569.9
Machinery and equipment	9,921.8	9,570.4
Construction in progress	512.3	446.5
	14,379.6	13,837.7
Accumulated depreciation	(6,415.0)	(5,988.7)
Total plant and equipment, net	$ 7,964.6	$ 7,849.0

The components of other assets at December 31, are summarized below (in millions):

	1999	1998
Investment properties	$ 119.0	$ 116.4
Goodwill	425.0	442.2
Deferred charges	518.7	555.7
Total other assets	$1,062.7	$1,114.3

Summarized below is selected legal entity financial information for Anheuser-Busch, Inc., a wholly-owned subsidiary of Anheuser-Busch Companies, as of and for the years ended December 31, (in millions). This information is provided to satisfy certain Securities and Exchange Commission reporting requirements necessitated by Anheuser-Busch, Inc. being co-obligor on substantially all Anheuser-Busch Companies debt.

	1999	1998	1997
Income Statement Information:			
Net sales	**$8,939.9**	$ 8,408.0	$ 8,116.3
Gross profit	**3,589.9**	3,197.1	3,141.2
Net income (1)	**1,078.2**	969.7	906.8
Balance Sheet Information:			
Current assets	**$ 649.9**	$ 581.4	$ 623.9
Noncurrent assets (2)	**6,494.1**	17,086.7	15,619.0
Current liabilities	**836.1**	733.9	677.7
Noncurrent liabilities (1)	**5,694.1**	4,998.6	4,599.4

(1) All guaranteed debt for which Anheuser-Busch, Inc. is co-obligor is included as an element of noncurrent liabilities, with related interest expense included in the determination of net income.

(2) The reduction in noncurrent assets in 1999 is due to an intercompany dividend from Anheuser-Busch, Inc. to Anheuser-Busch Companies.

12. Commitments and Contingencies

The company had commitments for capital expenditures of approximately $148 million at December 31, 1999. Obligations under capital and operating leases are not material.

The company and certain of its subsidiaries are involved in certain claims and legal proceedings in which monetary damages and other relief are sought. The company is vigorously contesting these claims. However, resolution of these claims is not expected to occur quickly, and their ultimate outcome cannot presently be predicted. It is the opinion of management that the ultimate resolution of all existing claims, legal proceedings and other contingencies, either individually or in the aggregate, will not materially affect the company's financial position, results of operations, or liquidity.

13. Quarterly Financial Data (Unaudited)

	Net Sales	*Gross Profit*	*Net Income*	*Diluted Earnings per Share*
Year ended Dec. 31, 1999				
1st Quarter	**$ 2,685.2**	**$ 973.1**	**$ 319.1**	**$ .66**
2nd Quarter	**3,080.7**	**1,216.2**	**431.0**	**.90**
3rd Quarter	**3,222.3**	**1,316.8**	**461.5**	**.97**
4th Quarter	**2,715.5**	**943.2**	**190.6**	**.41**
Annual	**$11,703.7**	**$4,449.3**	**$1,402.2**	**$2.94**
Year ended Dec. 31, 1998				
1st Quarter	$ 2,507.5	$ 868.7	$ 265.2	$ .54
2nd Quarter	3,006.3	1,142.9	391.2	.80
3rd Quarter	3,122.0	1,226.4	408.3	.84
4th Quarter	2,610.0	845.3	168.6	.35
Annual	$ 11,245.8	$ 4,083.3	$ 1,233.3	$ 2.53

14. Business Segments

The company categorizes its operations into five business segments: Domestic Beer, International Beer, Packaging, Entertainment and Other.

The Domestic Beer segment consists of the company's U.S. beer production, marketing, distribution and raw materials acquisition.

The International Beer segment consists of the company's export sales and overseas beer production and marketing operations, which include company-owned operations, administration of contract and license brewing arrangements and equity investments. The company sells beer in more than 80 countries, with principal markets in Canada, the United Kingdom, Ireland, China and Japan.

The Packaging segment is comprised of the company's aluminum beverage can manufacturing, aluminum can recycling and label printing operations. Cans are produced for both the company's domestic beer operations and U.S. soft drink industry customers.

The Entertainment segment consists of the company's SeaWorld, Busch Gardens and other adventure park operations.

The Other segment is comprised of the company's real estate development, transportation and communications businesses.

Summarized on the following page is the company's business segment information for 1999, 1998 and 1997 (in millions). Intersegment sales are fully eliminated in consolidation. No single customer accounted for more than 10% of sales. Corporate expenses, including net interest expense, are not allocated to operating segments.

1999	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	$ 10,966.8	763.3	1,941.9	750.5	120.2	(819.4)	$ 13,723.3
Net sales - external	$ 9,088.2	622.3	1,151.2	750.5	91.5	—	$ 11,703.7
Net sales - intersegment	$ —	—	790.7	—	28.7	(819.4)	$ —
Depreciation & amortization	$ 535.5	20.2	94.6	89.7	6.1	30.9	$ 777.0
Income before income taxes	$ 2,250.7	(19.9)	149.3	111.3	12.2	(496.0)	$ 2,007.6
Equity income, net of tax	$ —	157.5	—	—	—	—	$ 157.5
Net income	$ 1,395.4	145.2	92.6	69.0	7.6	(307.6)	$ 1,402.2
Balance Sheet Information:							
Total assets	$ 7,183.9	2,439.6	843.6	1,360.4	197.0	615.9	$ 12,640.4
Equity method investments	$ —	1,787.9	—	—	—	—	$ 1,787.9
Foreign-located fixed assets	$ —	221.4	—	—	—	—	$ 221.4
Capital expenditures	$ 563.2	45.3	49.7	162.6	13.5	31.0	$ 865.3

1998	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	$ 10,391.6	809.1	1,842.0	760.8	147.0	(742.6)	$ 13,207.9
Net sales - external	$ 8,569.9	668.7	1,127.4	760.8	119.0	—	$ 11,245.8
Net sales - intersegment	$ —	—	714.6	—	28.0	(742.6)	$ —
Depreciation & amortization	$ 498.9	14.6	102.6	90.3	6.1	25.9	$ 738.4
Income before income taxes	$ 2,018.0	10.1	148.2	116.6	9.9	(450.2)	$ 1,852.6
Equity income, net of tax	$ —	85.0	—	—	—	—	$ 85.0
Net income	$ 1,251.2	91.3	91.9	72.3	6.1	(279.5)	$ 1,233.3
Balance Sheet Information:							
Total assets	$ 7,078.5	2,340.9	874.1	1,283.1	211.0	696.7	$ 12,484.3
Equity method investments	$ —	1,662.6	—	—	—	—	$ 1,662.6
Foreign-located fixed assets	$ —	202.1	—	—	—	—	$ 202.1
Capital expenditures	$ 514.1	82.9	81.4	97.2	9.9	32.0	$ 817.5

1997	Domestic Beer	Int'l Beer	Pkg.	Enter.	Other	Corp. & Elims (1)	Consol.
Income Statement Information:							
Gross sales	$ 10,023.9	784.8	1,867.2	756.2	151.7	(751.4)	$ 12,832.4
Net sales - external	$ 8,257.7	784.8	1,150.8	756.2	116.7	—	$ 11,066.2
Net sales - intersegment	$ —	—	716.4	—	35.0	(751.4)	$ —
Depreciation & amortization	$ 459.8	7.7	100.5	83.5	6.3	25.9	$ 683.7
Income before income taxes	$ 1,984.8	18.2	115.0	115.3	8.8	(409.6)	$ 1,832.5
Equity income, net of tax	$ —	50.3	—	—	—	—	$ 50.3
Income from continuing operations	$ 1,230.6	61.6	71.3	71.5	5.5	(261.3)	$ 1,179.2
Balance Sheet Information:							
Total assets	$ 7,121.1	1,636.9	863.9	1,291.7	220.1	593.4	$ 11,727.1
Equity method investments	$ —	1,045.6	—	—	—	—	$ 1,045.6
Foreign-located fixed assets	$ —	128.7	—	—	—	—	$ 128.7
Capital expenditures	$ 888.5	36.8	98.1	140.1	15.0	20.8	$ 1,199.3

Note 1: Corporate assets principally include cash, marketable securities, deferred charges and certain fixed assets. Eliminations impact only gross and intersegment sales.

Financial Summary — Operations

Anheuser-Busch Companies and Subsidiaries

(In millions, except per share data)	1999	1998	1997
Consolidated Summary of Operations:			
Barrels of A-B beer brands sold worldwide	**102.9**	99.8	96.6
Gross sales	**$13,723.3**	$13,207.9	$12,832.4
Excise taxes	**(2,019.6)**	(1,962.1)	(1,766.2)
Net sales	**11,703.7**	11,245.8	11,066.2
Cost of products and services	**(7,254.4)**	(7,162.5)	(7,096.9)
Gross profit	**4,449.3**	4,083.3	3,969.3
Marketing, distribution and administrative expenses	**(2,147.0)**	(1,958.0)	(1,916.3)
Gain on sale of St. Louis Cardinals	**—**	—	—
Shutdown of Tampa brewery	**—**	—	—
Restructuring charge	**—**	—	—
Operating income	**2,302.3**	2,125.3	2,053.0
Interest expense	**(307.8)**	(291.5)	(261.2)
Interest capitalized	**18.2**	26.0	42.1
Interest income	**4.3**	5.8	7.9
Other income/(expense), net	**(9.4)**	(13.0)	(9.3)
Income before income taxes	**2,007.6**	1,852.6	1,832.5
Provision for income taxes (current and deferred)	**(762.9)**	(704.3)	(703.6)
Revaluation of deferred tax liability under FAS 109	**—**	—	—
Equity income, net of tax	**157.5**	85.0	50.3
Income from continuing operations	**1,402.2**	1,233.3	1,179.2
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**1,402.2**	1,233.3	1,179.2
Cumulative effect of accounting changes	**—**	—	(10.0) (1)
Net income	**$ 1,402.2**	$ 1,233.3	$ 1,169.2
Basic Earnings Per Share:			
Income from continuing operations	**$ 2.99**	$ 2.56	$ 2.39
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**2.99**	2.56	2.39
Cumulative effect of accounting changes	**—**	—	(.02) (1)
Net income	**$ 2.99**	$ 2.56	$ 2.37
Diluted Earnings Per Share:			
Income from continuing operations	**$ 2.94**	$ 2.53	$ 2.36
Income/(loss) from discontinued operations	**—**	—	—
Income before accounting changes	**2.94**	2.53	2.36
Cumulative effect of accounting changes	**—**	—	(.02) (1)
Net income	**$ 2.94**	$ 2.53	$ 2.34
Cash dividends paid on common stock	**$ 544.7**	$ 521.0	$ 492.6
Per share	**1.16**	1.08	1.00
Weighted average number of common shares:			
Basic	**469.5**	482.1	492.6
Diluted	**476.8**	487.5	499.7

All per share information and weighted average number of common shares data reflect the September 12, 1996 two-for-one stock split and the 1997 adoption of FAS 128, "Earnings per Share," as applicable. All financial information has been restated to recognize the 1995 divestiture of the Food Products segment. All amounts include the acquisition of SeaWorld as of December 1, 1989.

Note 1: 1997 change in accounting for deferred systems re-engineering costs, net of tax benefit of $6.2 million. 1992 change in accounting for income taxes and other postretirement benefits, net of tax benefit of $186.4 million.

1996	1995	1994	1993	1992	1991	1990	1989
95.1	90.9	91.3	89.7	88.9	87.9	88.1	82.2
$12,621.5	$12,004.5	$11,705.0	$11,147.3	$11,008.6	$10,631.9	$9,716.1	$8,553.7
(1,737.8)	(1,664.0)	(1,679.7)	(1,679.8)	(1,668.6)	(1,637.9)	(868.1)	(802.3)
10,883.7	10,340.5	10,025.3	9,467.5	9,340.0	8,994.0	8,848.0	7,751.4
(6,964.6)	(6,791.0)	(6,492.1)	(6,167.6)	(6,051.8)	(5,953.5)	(5,963.4)	(5,226.5)
3,919.1	3,549.5	3,533.2	3,299.9	3,288.2	3,040.5	2,884.6	2,524.9
(1,890.0)	(1,756.6)	(1,679.9)	(1,612.1)	(1,583.7)	(1,409.5)	(1,364.9)	(1,244.3)
54.7	—	—	—	—	—	—	—
—	(160.0)	—	—	—	—	—	—
—	—	—	(401.3)	—	—	—	—
2,083.8 (2)	1,632.9 (3)	1,853.3	1,286.5 (4)	1,704.5	1,631.0	1,519.7	1,280.6
(232.8)	(225.9)	(219.3)	(205.1)	(194.6)	(234.0)	(277.2)	(172.9)
35.5	24.3	21.8	35.2	46.9	45.6	52.5	49.8
9.4	9.9	2.6	3.4	4.4	6.6	4.3	7.9
(3.0)	20.5	17.6	21.0	(2.5)	1.3	(16.5)	17.7
1,892.9 (2)	1,461.7 (3)	1,676.0	1,141.0 (4)	1,558.7	1,450.5	1,282.8	1,183.1
(736.8)	(575.1)	(661.5)	(452.6)	(594.6)	(549.6)	(481.4)	(438.2)
—	—	—	(31.2)	—	—	—	—
—	—	—	—	—	—	—	—
1,156.1 (2)	886.6 (3)	1,014.5	657.2 (4)	964.1	900.9	801.4	744.9
33.8	(244.3)	17.6	(62.7)	30.1	38.9	41.0	22.3
1,189.9	642.3	1,032.1	594.5	994.2	939.8	842.4	767.2
—	—	—	—	(76.7) (1)	—	—	—
$ 1,189.9	$ 642.3	$ 1,032.1	$ 594.5	$ 917.5	$ 939.8	$ 842.4	$ 767.2
$ 2.31	$ 1.73	$ 1.93	$ 1.20	$ 1.71	$ 1.59	$ 1.42	$ 1.32
.07	(.47)	.04	(.11)	.05	.06	.07	.04
2.38	1.26	1.97	1.09	1.76	1.65	1.49	1.36
—	—	—	—	(.13) (1)	—	—	—
$ 2.38	$ 1.26	$ 1.97	$ 1.09	$ 1.63	$ 1.65	$ 1.49	$ 1.36
$ 2.27 (2)	$ 1.71 (3)	$ 1.90	$ 1.20 (4)	$ 1.68	$ 1.56	$ 1.40	$ 1.30
.07	(.47)	.04	(.11)	.05	.06	.07	.04
2.34	1.24	1.94	1.09	1.73	1.62	1.47	1.34
—	—	—	—	(.13) (1)	—	—	—
$ 2.34	$ 1.24	$ 1.94	$ 1.09	$ 1.60	$ 1.62	$ 1.47	$ 1.34
$ 458.9	$ 429.5	$ 398.8	$ 370.0	$ 338.3	$ 301.1	$ 265.0	$ 226.2
.92	.84	.76	.68	.60	.53	.47	.40
499.1	510.9	524.6	544.3	563.7	568.0	563.7	565.5
510.6	524.4	538.0	558.6	581.6	585.8	579.4	572.4

Note 2: 1996 results include the impact of the gain on the sale of the St. Louis Cardinals. Excluding the Cardinal gain, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $2,029.1 million, $1,838.2 million, $1,122.7 million and $2.21, respectively.

Note 3: 1995 results include the impact of the one-time pretax charge of $160 million for the closure of the Tampa brewery, and the $74.5 million pretax impact of the beer wholesaler inventory reduction. Excluding these nonrecurring special items, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $1,867.4 million, $1,696.2 million, $1,032.3 million and $1.99, respectively.

Note 4: 1993 results include the impact of two nonrecurring special charges. These charges are (1) a restructuring charge ($401.3 million, pretax) and (2) a revaluation of the deferred tax liability due to the 1% increase in federal tax rates ($31.2 million, after-tax). Excluding these nonrecurring special charges, operating income, pretax income, income from continuing operations and diluted earnings per share would have been $1,687.8 million, $1,542.3 million, $935.2 million and $1.69, respectively.

Financial Summary — Balance Sheet and Other Information

Anheuser-Busch Companies and Subsidiaries

(In millions, except per share and statistical data)	1999	1998	1997
Balance Sheet Information:			
Working capital (deficit)	**$ (386.6)**	$ (89.9)	$ 83.2
Current ratio	**0.8**	0.9	1.1
Debt	**5,122.9**	4,718.6	4,365.6
Shareholders equity	**3,921.5**	4,216.0	4,041.8
Return on shareholders equity	**34.5%**	29.9%	29.2% (1)
Debt to total capitalization ratio	**56.6%**	52.8%	51.9%
Book value per share	**8.50**	8.84	8.30
Total assets	**$12,640.4**	12,484.3	11,727.1
Other Information:			
Capital expenditures	**$ 865.3**	$ 817.5	$ 1,199.3
Price/earnings ratio	**24.1**	25.9	18.6 (1)
Market price range of common stock (high and low closing)	**81 5/8-65 3/16**	68 1/4-43 7/16	47 7/8-39 1/2

All share and per share information reflects the September 12, 1996 two-for-one stock split. All financial information has been restated to recognize the 1995 divestiture of the Food Products segment. All amounts include the acquisition of SeaWorld as of December 1, 1989.

Note 1: These ratios have been calculated based on income from continuing operations before the cumulative effect of accounting changes.

1996	1995	1994	1993	1992	1991	1990	1989
$ 34.9	$ 268.6	$ 57.0	$ (41.3)	$ 247.8	$ 107.9	$ (62.8)	$ (82.8)
1.0	1.2	1.0	1.0	1.2	1.1	0.9	0.9
3,270.9	3,270.1	3,066.4	3,019.7	2,630.3	2,627.9	3,115.8	3,268.9
4,029.1	4,433.9	4,415.5	4,255.5	4,620.4	4,438.1	3,679.1	3,099.9
30.0% (2)	25.0% (3)	29.9%	18.8% (4)	27.6% (1)	30.2%	34.0%	34.6%
44.8%	47.1%	47.3%	47.3%	42.0%	43.9%	54.5%	60.7%
8.10	7.22	6.64	6.31	6.51	5.90	4.60	3.74
10,463.6	10,590.9	10,547.4	10,267.7	9,954.9	9,642.5	9,274.2	8,690.1
$ 1,084.6	$ 952.5	$ 662.8	$ 656.3	$ 628.8	$ 625.5	$ 805.3	$ 979.0
17.6 (2)	19.6 (3)	13.1	22.6 (4)	16.9 (1)	18.9	14.6	14.4
42⅞-32½	34-25⅜	27⅝-23½	30-22	30¼-26	30¾-19¾	22½-17⅛	22⅞-15¼

Note 2: These ratios have been calculated based on reported income from continuing operations, which includes the $54.7 million pretax gain on the sale of the St. Louis Cardinals. Excluding the Cardinal gain, return on shareholders equity would have been 29.2% and the price/earnings ratio would have been 18.1.

Note 3: These ratios have been calculated based on reported income from continuing operations. Excluding the two nonrecurring 1995 items ($160 million pretax charge for closure of the Tampa brewery and $74.5 million impact of the beer wholesaler inventory reduction), return on shareholders equity would have been 29.1% and the price/earnings ratio would have been 16.8.

Note 4: These ratios have been calculated based on reported income from continuing operations. Excluding the two nonrecurring 1993 charges ($401.3 million pretax restructuring charge and $31.2 million after-tax FAS 109 charge), return on shareholders equity would have been 26.7% and the price/earnings ratio would have been 13.8.

Investor Information

Anheuser-Busch Companies

World Headquarters

One Busch Place
St. Louis, MO 63118
314-577-2000

Annual Meeting

Wednesday, April 26, 2000, 10 a.m.
Williamsburg, Va.

Transfer Agent, Registrar and Dividend Payments

ChaseMellon Shareholder Services, L.L.C.
85 Challenger Rd., Overpeck Centre
Ridgefield Park, NJ 07660
888-213-0964

Dividend Reinvestment Plan

The company's Dividend Reinvestment Plan allows shareholders to reinvest dividends in Anheuser-Busch Companies common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating shareholders may supplement the amount invested with voluntary cash investments on the same cost-free basis. Plan participation is voluntary and shareholders may join or withdraw at any time. For more information, contact ChaseMellon Shareholder Services (address above).

Stock Exchange Listings

New York	Paris
London	Swiss
Frankfurt	

Traded on These Exchanges

Boston	Pacific
Chicago	Philadelphia
Cincinnati	

Ticker Symbol: BUD
Newspaper Listing: AnheuserB

General Information by Phone (toll-free)

800-DIAL-BUD (800-342-5283)

Independent Accountants

PricewaterhouseCoopers LLP
800 Market Street
St. Louis, MO 63101

Trustee for Debentures and Notes

The Chase Manhattan Bank
450 West 33rd St.
New York, NY 10001
800-648-8380

Dividends

Dividends are normally paid in the months of March, June, September and December.

Other Information

You may obtain, at no charge, a copy of the Anheuser-Busch Companies Annual Report to the Securities and Exchange Commission (Form 10-K) by writing to the Vice President and Secretary's office at our world headquarters, accessing the Internet at http://www.anheuser-busch.com, or by calling 800-DIAL-BUD.

For information about Anheuser-Busch's efforts to enhance shareholder value through community support, you may request a complimentary copy of our "Making Friends... Making a Difference" brochure by writing Corporate Communication at our world headquarters, by accessing the Internet at www.anheuser-busch.com, or by calling 800-DIAL-BUD.

Selected Anheuser-Busch Internet Addresses

http://www.anheuser-busch.com (corporate, financial and investor information)

http://www.budweiser.com (brand and sponsorship information; Budweiser merchandise)

http://www.budlight.com (brand and sponsorship information; Bud Light merchandise)

http://www.beeresponsible.com (Consumer Awareness and Education)

http://www.budweisertours.com (brewery tour information; the brewing process)

http://www.grantsfarm.com (Grant's Farm tour information)

http://www.buschgardens.com (Busch Gardens information)

http://www.seaworld.com (SeaWorld information)

Investor Information

Anheuser-Busch Companies Subsidiaries

Anheuser-Busch, Inc.
World's largest brewer and U.S. industry leader since 1957; produces approximately 30 beers and two nonalcohol brews at 12 U.S. breweries

Anheuser-Busch International, Inc.
Explores and develops beer markets outside the United States

Anheuser-Busch Recycling Corporation
World's largest recycler of aluminum beverage containers

Busch Agricultural Resources, Inc.
Produces and enhances the quality of raw materials for Anheuser-Busch, Inc.

Busch Creative Services Corporation
A marketing, creative services and business communications company

Busch Entertainment Corporation
One of the largest U.S. theme park operators, with nine parks throughout the country

Busch Properties, Inc.
A real estate development company with resort, residential and commercial properties in selected areas of the country

Eagle Packaging, Inc.
Supplies A-BI requirements for crown and closure liners

Manufacturers Railway Company
Provides terminal rail-switching services to St. Louis industries and operates trucking subsidiaries

Metal Container Corporation
Produces cans and lids for Anheuser-Busch, Inc. and U.S. soft-drink companies

Packaging Business Services, Inc.
Provides administrative services and develops existing and new businesses for the Packaging Group

Precision Printing and Packaging, Inc.
Produces metalized labels for Anheuser-Busch, Inc. and other customers

Wholesaler Equity Development Corporation
Shares equity positions with qualified partners in Anheuser-Busch, Inc. distributorships while they build toward total ownership

Officers

Anheuser-Busch Companies

Strategy Committee

*(*Member of the Corporate Office)*

August A. Busch III*

Chairman of the Board and President

Patrick T. Stokes*

Vice President and Group Executive

John H. Purnell*

Executive Vice President

W. Randolph Baker

Vice President and Chief Financial Officer

Stephen K. Lambright

Group Vice President and General Counsel

Aloys H. Litteken

Vice President—Corporate Engineering

William L. Rammes

Vice President—Corporate Human Resources

Joseph L. Goltzman

Vice President and Group Executive

Donald W. Kloth

Vice President and Group Executive

John E. Jacob

Executive Vice President and Chief Communications Officer

Gerhardt A. Kraemer

Senior Vice President—World Brewing and Technology

Thomas W. Santel

Vice President—Corporate Development

Stephen J. Burrows

Vice President—International Operations

Victor G. Abbey

Chairman of the Board and President—Busch Entertainment Corporation

Other Officers

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Vice President—Corporate Affairs

Jesse Aguirre

Vice President and Corporate Representative

Richard F. Keating

Vice President—National Affairs

Royce J. Estes

Vice President and Deputy General Counsel

JoBeth G. Brown

Vice President and Secretary

Mark Boranyak

Vice President—State Affairs

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Vice President and Executive Assistant to the Chairman of the Board

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Vice President—Corporate Relations

James D. Starling

Vice President and Corporate Representative

John S. Koykka

Vice President—International Development

Francine I. Katz

Vice President—Consumer Affairs

Eric M. Schmitz

Vice President—Corporate Labor Relations

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Vice President and Deputy General Counsel

John T. Farrell

Vice President—Employee Benefits

Stephen D. LeResche

Vice President—Public Communications

Richard C. Socolofsky

Vice President—Personnel

John F. Kelly

Vice President and Controller

William E. Hickman

Vice President and Chief Information Officer

Charles R. Koenig

Vice President—Corporate Purchasing

William J. Kimmins Jr.

Vice President and Treasurer

John D. Castagno

Tax Controller

Gary R. Aldenderfer

General Auditor

Laura H. Reeves

Assistant Secretary

David C. Sauerhoff

Assistant Treasurer

William J. Mayor

Assistant Controller

Principal Officers of Anheuser-Busch Companies Subsidiaries

Anheuser-Busch, Inc.

(†Member of the Anheuser-Busch, Inc. Management Committee)

August A. Busch III

Chairman of the Board and Chief Executive Officer

Patrick T. Stokes†

President

James F. Hoffmeister†

Vice President—Administration

Gary R. Welker†

Vice President—Distribution Systems and Services

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Vice President—Corporate Media and Sports Marketing

Joseph P. Sellinger†

Vice President—Operations

August A. Busch IV†

Vice President—Marketing

Joseph P. Castellano†

Vice President—Wholesale Operations Division

Phillip J. Colombatto†

Vice President—Quality Assurance

Michael J. Brooks†

Vice President—Sales

Douglas J. Muhleman†

Vice President—Brewing

Robert C. Lachky†

Vice President—Brand Management

Marie C. Carroll†

Vice President—Finance and Planning

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Vice President—Retail Marketing

Joseph V. Corcoran

Vice President—National On-Premise Sales

Robert J. Goughenour

Vice President—Wholesaler Development

Michael S. Harding

Vice President—Plant Operations

Heinrich K. Heissinger

Vice President—Brewing Research and Technology

Joseph M. Hoff

Vice President—National Off-Premise Sales

William B. Jones

Vice President—Business Development

Salvatore J. LaMartina

Vice President—Revenue Management

Peter C. McLoughlin

Vice President—Corporate Media

Principal Officers of Anheuser-Busch Companies Subsidiaries (continued)

Anheuser-Busch International, Inc.

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Chairman of the Board

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Chief Executive Officer and President

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Executive Vice President—Strategic Planning and Business Development

John J. Hanichak III
Vice President—Marketing Operations

Mark F. Schumm
Vice President—International Business Planning and Development

Larry D. Baumann
Vice President—Finance

Robert J. Gunthner
Vice President and Regional Director—Americas

Philip C. Davis
Vice President and Managing Director—Anheuser-Busch China

William H. McNulty
Vice President and Managing Director—Europe

Peter Jackson
Vice President and Regional Director—UK/Republic of Ireland

Alejandro Strauch
Vice President—Mexico

Andrew Day
Vice President and Managing Director—A-B Asia Japan

Jeffrey R. Ewins
Vice President and Regional Director—Asia Pacific

Richard H. Faught
Vice President—International Affairs

Wholesaler Equity Development Corporation

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Chairman of the Board and Chief Executive Officer

Kenneth W. Reiter
President

Busch Agricultural Resources, Inc.

Donald W. Kloth
Chairman of the Board and Chief Executive Officer

Melvern K. Anderson
President

Stephen D. Malin
Vice President—Operations

Thomas M. Wood
Vice President—Technical Operations

Thomas L. Tangaro
Vice President—Staff Operations

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Executive Vice President and Chief Operating Officer

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Vice President—Sales and Marketing

Robert F. Wellise
Senior Vice President—Manufacturing and Technology

Mark V. Stafford
Vice President—Quality

Jerome A. Riley
Vice President—Human Resources

Charles Rothofsky
Vice President—Lid Manufacturing and Technology

Anheuser-Busch Recycling Corporation

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Chairman of the Board, President and Chief Executive Officer

Lise A. Herren
Executive Vice President and Chief Operating Officer

Thomas A. Stengel
Vice President —Marketing Operations

Precision Printing and Packaging, Inc.

Joseph L. Goltzman
Chairman of the Board, President and Chief Executive Officer

Nancy E. Jakse
Executive Vice President and Chief Operating Officer

Randall D. Jacobs
Vice President—Marketing and Customer Services

Packaging Business Services, Inc.

Joseph L. Goltzman
Chairman of the Board, President and Chief Executive Officer

Gary A. Bybee
Group Vice President and Chief Administrative Officer

Eagle Packaging, Inc.

Joseph L. Goltzman
Chairman of the Board, President and Chief Executive Officer

Gary A. Bybee
Vice President and Chief Operating Officer

Charles E. Brossia
Vice President—Technology

Busch Entertainment Corporation

Victor G. Abbey
Chairman of the Board and President

Bradley F. Andrews
Vice President—Zoological

J. Dennis Burks
Vice President—Food Service

Donald L. Eddings
Vice President—Merchandise

Andrew P. Fichthorn
Vice President—Planning and Development

Michael E. LaBroad
Vice President—Marketing

Joseph G. Peczi
Vice President—Entertainment

John J. Schaefer
Vice President—Finance and Information Technology

Kristine A. Schmidt
Vice President—Human Resources

James R. Yust
Vice President—Engineering and Product Development

Busch Properties, Inc.

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Chairman of the Board and President

Terri A. Haack
Executive Vice President and Managing Director—Kingsmill Resort

William B. Voliva
Executive Vice President—Kingsmill on the James

John C. Martz Jr.
Vice President—Corporate Real Estate

William F. Brown
Vice President—Busch Corporate Centers

Busch Creative Services Corporation

Karen L. Branding
Chairman of the Board, President and Chief Executive Officer

Manufacturers Railway Company; St. Louis Refrigerator Car Company

Edward R. Goedeke
Chairman, President and Chief Executive Officer

Barbara J. Houseworth
Treasurer and Controller

Board of Directors

August A. Busch III
Chairman of the Board and President–Anheuser-Busch Companies
Joined board 1963

Bernard A. Edison
Former President–Edison Brothers Stores, Inc.; retail specialty stores
Joined board 1985

Carlos Fernandez G.
Vice Chairman of the Board and Chief Executive Officer–Grupo Modelo, S.A. de C.V.; a Mexican company engaged in brewing and related operations
Joined board 1996

John E. Jacob
Executive Vice President and Chief Communications Officer–Anheuser-Busch Companies
Joined board 1990

James R. Jones
Senior Counsel to Manatt, Phelps & Phillips Law Firm; Chairman–GlobeRanger.com
Joined board 1998

Charles F. Knight
Chairman of the Board and Chief Executive Officer–Emerson Electric Co.; a manufacturer of electrical and electronic equipment
Joined board 1987

Vernon R. Loucks Jr.
Chairman of the Board—InLight, Inc.; a developer of interactive multimedia patient education and health information systems
Joined board 1988

Vilma S. Martinez
Partner–Munger, Tolles & Olson; attorneys
Joined board 1983

James B. Orthwein
Partner–Precise Capital, L.P.; a private investment partnership
Joined board 1963

William Porter Payne
Chairman–Orchestrate.com; an enhanced communications provider
Joined board 1997

Joyce M. Roché
Formerly President and Chief Operating Officer of Carson, Inc.; a personal care products company
Joined board 1998

Andrew C. Taylor
President and Chief Executive Officer–Enterprise Rent-A-Car Company; a national car rental company
Joined board 1995

Douglas A. Warner III
Chairman of the Board and President–J.P. Morgan & Co., Inc. and Morgan Guaranty Trust Company of New York; an international commercial and investment banking firm
Joined board 1992

Edward E. Whitacre Jr.
Chairman and Chief Executive Officer–SBC Communications Inc.; a diversified telecommunications company
Joined board 1988

Advisory Members

Peter M. Flanigan
Senior Advisor–Warburg Dillon Read LLC, an investment banking firm
Joined board 1978

Sybil C. Mobley
Dean of the School of Business and Industry –Florida A&M University
Joined board 1981

William H. Webster
Partner–Milbank, Tweed, Hadley & McCloy; attorneys
Joined board 1991

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